

Amid Strike Fears, a Yeltsin Challenge

By Michael Dobbs
Washington Post Service
MOSCOW — As Soviet newspapers warned of possible railroad strikes, legislators impatient with the slow pace of economic improvement elected Boris N. Yeltsin, ousted from the leadership for demanding faster change, and four others to head a "progressive faction" in parliament.



Boris N. Yeltsin waved his membership document Sunday as he voted on a point of procedure at a meeting of a parliament faction.

Mikhail S. Gorbachev is under increasing political pressure from a wave of strikes and ethnic violence and disorders.

Rather than appoint a single leader, the "progressive" deputies decided to elect a five-member collective leadership that will include Andrei D. Sakharov, the human rights advocate, and Yuri F. Afanasyev, a historian critical of past Soviet repression and secrecy.

The post of what is called "prime chairman" of the 300-strong group will rotate annually.

He will hold the post of chairman until next year, when he will be succeeded by Mr. Afanasyev, who came in second.

Speakers at the two-day meeting of the Interregional Group criticized Mr. Gorbachev for slow economic and social improvement and for failing to break with Communist Party conservatives.

They also expressed concern that Mr. Gorbachev's perestroika program of restructuring the economy and political system could be threatened by rail and other strikes.

new strikes could play into the hands of ideological conservatives. "This is a dangerous situation," said Sergei Stankevich, a deputy from Moscow.

A rail worker from the Far East who belongs to the radical bloc of deputies, Anatoli Markovich, also warned that strikes "could be turned against democracy and against our group."

In the Donetsk region of the Ukraine, where striking coal miners returned to work last week after extracting 5.5 billion rubles (\$8.5 billion) in promises from the government, the miners are reported to have appealed to railway workers not to strike.



Ali Akbar Mohtashemi, Iran's interior minister, warning Sunday of reprisals for the abduction.

A Threat To Hang Hostage

Shiites Say Israel Must Free Cleric To Save American

By Nora Boustany
Washington Post Service
BEIRUT — A pro-Iranian extremist group threatened Sunday to hang Lieutenant Colonel William R. Higgins of the U.S. Marines on Monday unless Israel freed a cleric and two associates seized by commandos.

The Organization of the Oppressed on Earth warned, in a statement typewritten in Arabic and delivered to the offices of a Western news agency: "The spy Higgins will be executed by hanging at 3 P.M. sharp Monday afternoon if the struggling cleric Abdul Karim Obeid and his two brothers are not released ahead of that deadline."

Sheikh Obeid, 36, and two aides were seized by Israeli commandos at the cleric's home in the village of Jibchit on Friday after the raiders stormed the house.

Reacting to the threat to kill Colonel Higgins, the United States warned Sunday that the kidnappers would be held "fully responsible" for his safety and that of other American hostages.

The White House statement said in part: "We expect those who have influence with the hostage holders to do everything possible to ensure that no harm comes to those hostages or other Americans."

In Paris, a State Department spokeswoman, Margaret D. Tutwiler, said Secretary of State James A. Baker 3d discussed Colonel Higgins' situation at a meeting with the UN secretary-general, Javier Perez de Cuellar. Both men are in Paris attending a 19-nation conference on Cambodia.

"It is outrageous and uncivilized that he should have been taken hostage in the first place," Mrs. Tutwiler said of Colonel Higgins. "It is equally outrageous to threaten to kill him."

She called the threat "an affront to the entire civilized community."

Chernobyl: 100,000 More Evacuees Are Possible

By Francis X. Clines
New York Times Service

MOSCOW — New revisions of the aftermath of the Chernobyl nuclear power disaster indicate that 100,000 more people may have to be evacuated because of the persistent risk of lethal radiation, according to local officials who are pressing the Kremlin for more aid.

Such an evacuation, if acceded to by the national government, would mean a doubling of the relocations that followed the nuclear reactor explosion at the Chernobyl plant in 1986, when 31 people died.

Officials of the Byelorussian Republic raised the possibility in turning to Moscow for the equivalent of an additional \$16 billion in disaster aid, the official news agency Tass reported on Saturday.

Provincial and national authorities have been disputing the risks and costs of history's worst nuclear disaster, and the new evacuation estimate from Byelorussian officials is the severest yet. The meltdown already has cost the government an estimated \$12.8 billion, including the cost of enclosing the ruptured reactor in steel and concrete.

Despite the government's earlier confident predictions of containment, Tass said scientists employed by the republic reported subsequent tests have shown that decontamination measures have failed "to lower background radiation to safe levels" in more than 100 villages in the regions of Mogilev and Gomel. Some are as far as 325 kilometers (about 200 miles) from the sealed reactor at Chernobyl, where three other nuclear reactors continue in operation.

"Many people have already left their homes," Tass reported. "The fate of 423 other localities is to be decided later as the situation there requires additional study."

The Tass dispatch from Minsk was brief, but clearly suggested that the scope of Chernobyl's threat to the immediate populace could prove far greater than the government has so far conceded. It reported that the Byelorussian parliament had received warnings from scientists that more prudent measures were needed.

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Kiosk Chilean Voting Begins Slowly

SANTIAGO (AP) — Chileans turned out slowly Sunday to vote on a series of democratic constitutional revisions, including legalizing Marxism and reducing presidential powers.

Passage appeared assured, with the military government of President Augusto Pinochet and the opposition urging approval of the 54 changes to the military-drafted constitution.

5 Die in U.S. Crash

ALLENTOWN, Pennsylvania (AP) — Two small planes collided in flight near a small airport where an air show was being held Sunday, killing five to five persons, authorities said. It appeared that no one on the ground was hurt.

MONDAY Q&A

Allan Wendt of the State Department defends U.S. policy on high-technology exports to the East. Page 2.

General News
Fears are growing over the size of a high-tech diversion to East Germany. Page 2.

The Helsinki trial, with new material, is New York's latest no ticket. Page 3.

News accounts strengthened the hand of Felix S. Bloch, a U.S. official said. Page 5.

Business/Finance
Elders DKL said it might provide financial aid for Alan Lond. Page 2.

Cambodia Meeting Approaches Accord

By Don Oberdorfer and Elizabeth Becker
Washington Post Service

PARIS — Key nations of East and West moved toward a consensus on peacekeeping arrangements for a postwar Cambodia on Sunday, but the battling Cambodian factions showed no sign of compromise on a political settlement to the war.

"The occupation should end. The violence should end. The suffering should end," said Secretary of State James A. Baker 3d at the opening of the International Conference on Cambodia. The conference is expected to last a month.

Mr. Baker said that a dramatic easing of global tensions presented an opportunity to resolve the Cambodian conflict, but that "any actions we might take to help Cambodia must be based on the will of the Cambodian parties themselves to move forward."

A senior aide to Mr. Baker said that all parties seemed to be converging on a UN role in peacekeeping and that everyone had agreed on "the need to have Vietnam pull out and stay out."

Norodom Sihanouk, who leads a coalition that includes the Khmer Rouge, and the noncommunist Son Sann.

Among the other participants were the Soviet Union, China, France, Britain, Japan and members of the Association of South East Asian Nations.

Mr. Baker was seated next to Foreign Minister Qian Qichen of China, but did not talk with him, according to aides.

The major international players spoke of the importance of an accord among the Cambodians that would make a peace settlement stable and successful in the long run.

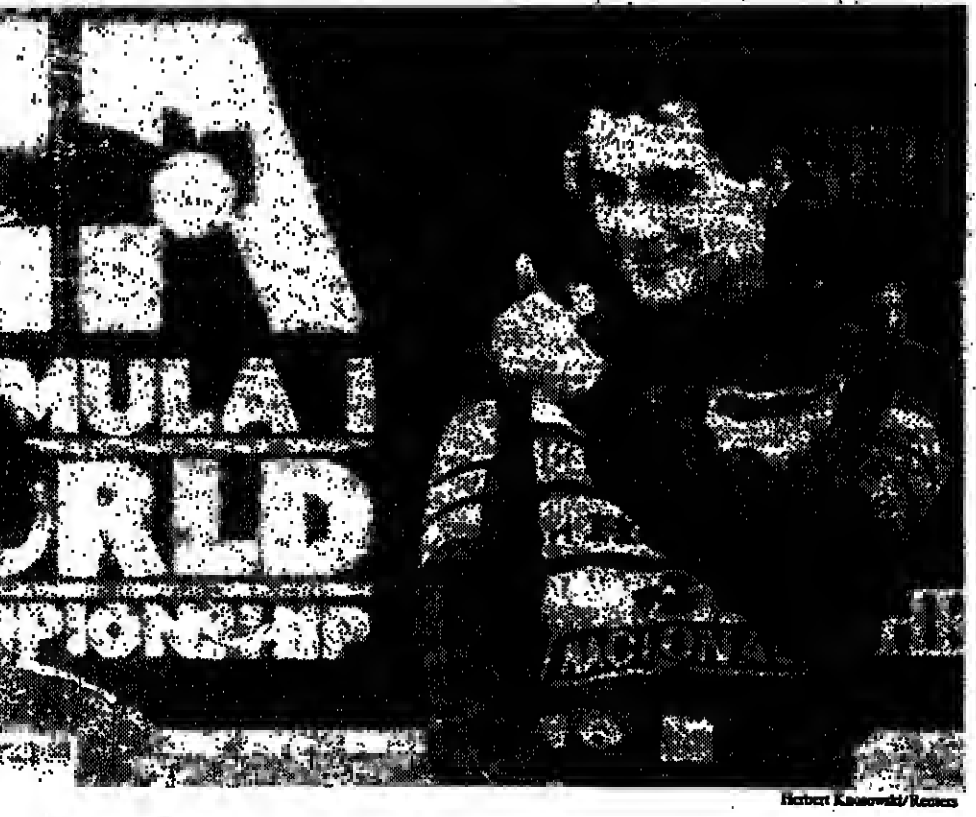
As in the past, Prince Sihanouk called for including the Khmer Rouge in a four-party "government of national union." He said that the Khmer Rouge would "respect completely and always the outcome of the forthcoming free general election under international supervision" that are envisioned in Cambodia.

Prime Minister Hun Sen of Cambodia said that including the Khmer Rouge in a government would trigger a full-scale civil war. Mr. Baker said that "the United States strongly believes that the Khmer Rouge should play no role in Cambodia's future." But he said the United States was prepared to support Prince Sihanouk's call for inclusion of the Khmer Rouge in an interim regime.

Suggesting that the Khmer Rouge role be minimized, Mr. Baker said that the strength of U.S. support for a future Cambodian government would "directly and inversely depend on the extent of Khmer Rouge participation."

Mr. Baker also said that the United States "cannot accept a 'review' of a steady growth."

In addition, Takako Doi, the party leader, said that the party was less interested in nationalizing private industries than in cleaning up the government, and less interested in ending military cooperation with the United States than in ensuring foreign policy continuity.



Senna Gains in Auto Racing's Friendly Rivalry
Ayrton Senna of Brazil giving the thumbs up sign after winning the German Grand Prix Sunday in Hockenheim, West Germany. Senna passed his McLaren-Honda teammate, Alain Prost of France, left, with only two laps to go. Page 12.

Door Ajar, Bush Opens Up Policy-Making to Aides

By David Hoffman and Ann Devroy
Washington Post Service

WASHINGTON — When Treasury Secretary Nicholas F. Brady was preparing this spring to unveil his plan to reduce Third World debt, he skirted some of the usual channels and took it directly to President George Bush.

"If I get something I think is going to make a big difference to him, I tell him about it," Mr. Brady said.

When the secretary of veterans affairs, Edward J. Dewinski, decided not to appeal a federal judge's ruling against his department on Agent Orange, the defoliant used during the Vietnam War, he made the decision alone, without having told the president that he intended to reverse a decade of government policy.

When Mr. Bush was faced with sharply conflicting views among cabinet members on the complex issue of renewing steel import quotas, he turned to his White House domestic policy adviser, Roger B. Porter, to fashion the compromise that became the basis for his decision.

These instances indicate that various roads have led to important decisions in the first six months of the Bush presidency. So far, Mr. Bush appears to be an executive who eschews doing business in a rigidly methodical way; instead he seems to encourage his aides to reach him any way they can.

For now, Mr. Bush is not inclined to impose discipline on his brood, associates said. Particularly in domestic policy, cabinet members say they feel he has given them wide latitude — as long as they do not stray from his overall goals. "It's a kinder, gentler White House" than during the Reagan period, said a senior White House official who had first-hand experience with the Reagan cabinet.

Mr. Bush has put an emphasis on a group of senior cabinet members with whom he has

See BUSH, Page 6

Some Japanese Fear a Shift to the Left, but Bureaucrats Fear Nothing

Election Victory of the Socialist Party Creates Tremors

By Steven R. Weisman
New York Times Service

TOKYO — Would Asia's greatest bulwark of anti-communism consider dismantling its military forces? Could a nation renowned as the world's greatest private-enterprise success story turn socialist?

Those questions raced through Japan after the Japan Socialist Party triumphed over the governing Liberal Democratic Party in voting a week ago.

That outcome has forced the nation to ponder the applicability of many longtime policies, including the advocacy of a socialist state and unilateral disarmament.

The questions brought some immediate answers, including a pledge from the Japan Socialist Party not to seek radical reductions in military spending but rather to "review" a steady growth.

In addition, Takako Doi, the party leader, said that the party was less interested in nationalizing private industries than in cleaning up the government, and less interested in ending military cooperation with the United States than in ensuring foreign policy continuity.

But the party came under enormous new pressure to further clarify its views, especially after an election campaign in which it referred hardly at all to the Socialist goals in its platform and almost exclusively to what it called the shortcomings of the Liberal Democrats.

The outcome in voting for the upper house of parliament, was interpreted as negative, a protest against a sales tax, corruption, farm policies associated with the ruling party and charges that former Prime Minister Sosuke Uno was involved with geishas.

See JAPAN, Page 6

Some people close to Miss Doi agreed that the party was so stunned by its success — it last had a role in the government in the 1940s — that it had a great deal of work to do to define its vision.

"It's like the old adage about a beggar being given a horse," said Masao Kunihito, a Doi adviser. "Everyone is bewildered and nonplussed by these developments. The Japanese people also are confused. Are they for the Socialist Party? Well, they are and they are not."

Although the Liberal Democrats continue to control the government, the Socialists are generally

Perhaps, he fumed, the LDP should simply hand over control of the government to the Japan Socialist Party. Surely, the Socialists would make such a mess of things that they would be driven from office within six months.

See BUREAUCRATS, Page 6

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WORLD BRIEFS

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Seeking Japan Troops
 ON (NYT) — Responding to pressure from the Senate Armed Services Committee, President George Bush announced today that he would order the 60,000 U.S. troops in Japan to be reduced to 40,000. The move would require a draft version of the bill to be sent to Congress by Sept. 1. The bill would also require the President to consult with Congress before sending U.S. troops to Asia and to consult with the "partial, gradual reduction" of the troops.

4 Killed in Rockets Hit

— Four persons were killed when a rocket hit a crowded market in Kabul, Afghanistan, today. The rocket was fired from a Soviet-made missile launcher, officials said. The victims were a woman and three children. The rocket hit a crowd of people who were gathered in the market to buy food and other necessities. The rocket was fired from a Soviet-made missile launcher, officials said. The victims were a woman and three children. The rocket hit a crowd of people who were gathered in the market to buy food and other necessities.

2 for Role in

— Two persons were named today as having played a role in the assassination of a Pakistani official. The two persons were named in a report by the Pakistani government. The report said that the two persons were named in a report by the Pakistani government. The report said that the two persons were named in a report by the Pakistani government.

Vote of Confidence

— The House of Representatives today voted to express its confidence in the President. The vote was 387 to 1. The House of Representatives today voted to express its confidence in the President. The vote was 387 to 1. The House of Representatives today voted to express its confidence in the President. The vote was 387 to 1.

Court Bars 'Satanic Verses'

— A federal court today barred the book "Satanic Verses" from being sold in the United States. The court said that the book was "obscene" and "lacked literary merit." The court said that the book was "obscene" and "lacked literary merit." The court said that the book was "obscene" and "lacked literary merit."

the Record

— The record of the President's administration today was reviewed. The review found that the President's administration had a record of "mixed success." The review found that the President's administration had a record of "mixed success." The review found that the President's administration had a record of "mixed success."

Cautions Travelers

— Travelers are cautioned to be careful when traveling in certain areas. The caution is due to the presence of "unstable political conditions" in these areas. The caution is due to the presence of "unstable political conditions" in these areas. The caution is due to the presence of "unstable political conditions" in these areas.

Work's Holiday

— A "work's holiday" was declared today in certain areas. The holiday was declared to honor the workers who have contributed to the economy. The holiday was declared to honor the workers who have contributed to the economy. The holiday was declared to honor the workers who have contributed to the economy.

WEATHER

— The weather forecast for today is "partly cloudy with a chance of rain." The forecast is for the entire country. The forecast is for the entire country. The forecast is for the entire country.



NICE GOIN', GRANDPA — Michael Haynes kissed his grandfather just before Al C. Haynes, a United Airlines pilot, was honored as Washington state's Little League volunteer of the year. Captain Haynes commanded the crew that crash-landed a DC-10 in Iowa on July 19 after the plane lost its tail engine and its hydraulic flight controls. Of the 296 people aboard, 185 survived.

AMERICAN TOPICS

Women's Party Plan Called Self-Defeating

The decision by the National Organization for Women to explore forming a political party threatens to divert resources and narrow support for the abortion-rights movement, says Kate Michelman, executive director of the National Abortion Rights Action League.

As their recent national convention, NOW delegates, frustrated by the way both major parties have dealt with women's issues, decided to examine the feasibility of their own party.

Other members of the abortion-rights coalition say this is short-sighted at a time when the groups are gearing up to campaign nationwide following the Supreme Court's decision making it easier for states to outlaw abortion.

"A third-party notion will serve to narrow the support" for abortion rights "just at the moment we have the opportunity to broaden our support," Ms. Michelman told The Washington Post.

She said the abortion-rights movement has many sympathizers within the existing political system. She said that she does not "want them to feel we're going to abandon them," because now "we need them more than ever."

Short Takes

A year ago Chrysler Corp. decided to install air bags in standard equipment on several car models. Starting in September, all three major U.S. automobile manufacturers will carry the devices on a substantial number of their cars. The New York Times reports — Chrysler on all of its cars, Ford on half its cars, and General Motors on one-sixth of its cars. In a crash, the bags pop out of the steering wheel and inflate within a twentieth of a second, then deflate immediately. Manufacturers warn that they must be used in conjunction with, not in place of, seat belts.

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New York's Latest Hot Ticket
Itemized Extravagance Keeps Helmsley Tax Trial Fresh

By William Glaberson

New York Times Service

NEW YORK — On the witness stand at Leona M. Helmsley's trial one day last week, one of the defendant's employees looked over his half-glasses and described how Mrs. Helmsley had billed her company \$632 for silver-plated trivets. In the crowded courtroom, spectators listened carefully while newspaper and television reporters recorded the trivet testimony.

By this time, according to some predictions before Mrs. Helmsley's trial began, the novelty was supposed to have worn off. What is essentially a tax trial was, nearly four weeks along, supposed to have become routine and the rows in courtroom 318 of U.S. District Court in New York were supposed to have emptied.

Instead, the story of Mrs. Helmsley's bills has drawn more spectators each week to fill the rows while reporters from all over the world have gathered in the press section to disseminate the latest details.

The witness with the half-glasses, Geoffrey Lerigo, an executive vice president of the Helmsley Hotels, said Mrs. Helmsley had billed the business \$20,833.50 for Coalport bone china for her home and for the cost of striped Valencia butlers' vests and embroidered maids' aprons with matching collars and cuffs for the staff at her 28-room residence in Greenwich, Connecticut.

Mrs. Helmsley and her husband, Harry, also had to charter a cruise ship for a Caribbean getaway. Mr. Lerigo testified; their private jet, he said, was too big for the runway on the island of Montserrat. The charter, too, was billed to the company, Mr. Lerigo said.

In the press section, an Australian reporter took it all down, chuckling.

Perhaps the most famous item, in a trial full of items, was the clock in the shape of the Helmsley Building that Mrs. Helmsley had given her husband as a birthday present. The clock was built to her order at Asprey, a shop in Trump Tower, at a cost of \$45,581.

The prosecutors were careful to introduce all documents that be-

In the press section, an Australian reporter took it all down, chuckling.

long to the clock. So when the jurors consider the case around Labor Day, they will be able to inspect Asprey's receipt for "one clock to client's special order, in silver-gilt with two eight-day movements, on a malachite plinth, supplied in lined leather case."

Mrs. Helmsley's chief defense lawyer, Gerald A. Feller, has not disputed that the Helmsleys billed their businesses for many things that appeared to be personal property. That was proper, he argued, because Mr. Helmsley is a "workaholic" and his home is like an office.

Mr. Feller's defense of the clock, when he revealed it last week, was consistent. He asked Mr. Lerigo where the clock was kept. On Mr. Helmsley's desk in his Central Park South apartment, came the reply.

"Is that a desk Mr. Helmsley uses to conduct business?" Mr. Feller asked.

"Yes, it is," Mr. Lerigo said.

Saigon Workers to Resettle in U.S.

Compiled by Our Staff From Dispatches

BANGKOK — Vietnam and the United States have agreed on a program allowing Vietnamese citizens who worked with U.S. forces during the Vietnam War to resettle in America, Hanoi Radio said Sunday.

Thousands of former soldiers, security officials and administrators were held in re-education camps after the Communist takeover in 1975 and have been forbidden to leave Vietnam.

The radio, monitored in Bangkok, said that under an agreement reached during a visit by a U.S. delegation Thursday and Friday, a

first group could leave by the end of this year to join relatives in the United States.

The two sides, it said, "hope that the first batch of those permitted to resettle in the United States under this agreement will leave Vietnam by late this year after completing all the procedures."

The U.S. team at the talks in Hanoi was led by Robert L. Fussen, acting Director of the Bureau for Refugee Programs.

A joint communiqué said that the United States was admitting the Vietnamese "solely for humanitarian reasons and not for any hostile actions against Vietnam."

Mr. Fussen said that his delegation had presented an initial list of 3,300 names to the Vietnamese authorities, asking that priority be given to those who had stayed in the camps the longest.

Members of the U.S. team would not say whether the accord specified the number of people involved, and the two sides have so far given different estimates.

Washington has said that the former prisoners and their families number about 90,000, while Hanoi has put the figure closer to 400,000.

The U.S. administration has repeatedly said that it would welcome any of the former prisoners who wished to resettle in the United States.

(Reuters/ATF)

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Thai
 We reach for the sky.

Herald Tribune

Published With The New York Times and The Washington Post

Decency for Hong Kong

Britain's cold refusal to honor the emigration rights of its subjects in Hong Kong is a stark reminder of the world that has been forgotten. The new foreign secretary, John Major, needs to persuade the world that his government has not forgotten history, law and honor in its treatment of 3.25 million holders of British passports who face involuntary absorption into China.

Margaret Thatcher's government first said there was no room in Britain for the Hong Kong Chinese, noting that they would double the country's ethnic minority population. Then, rubbished, she said it would admit, as generously as possible, civil servants (with potential pensions) and people with large bank accounts.

Sir Geoffrey Howe, the departing foreign secretary, listened to Hong Kong to say that Britain had to make the best of its agreement with China, despite last month's bloodbath in Beijing. He added, devastatingly: "There is simply no way that a British government could grant to several million people the right to come and live in Britain."

The Times of London spoke for a different Britain in judging Sir Geoffrey's voyage as "worse than pointless," since he was promising to listen and then "peremptorily declared the British government's mind made up on the issue which matters above all in Hong Kong: the provision of full British passports as a safety net."

The Labor Party tentatively agreed with Sir Geoffrey, so it remained for Paddy Ashdown of the Social and Liberal Democrats to say the self-evident: "The knowledge that they have a sure escape route is what most Hong Kong people need to convince them that they should remain."

Britain's real leverage is Hong Kong's prosperity; with only 0.5 percent of China's population, Hong Kong accounts for 15 percent of combined output. Because Beijing wants a thriving Hong Kong, it agreed to maintain capitalism there for 50 years after Britain's lease expires in 1997. If holders of British passports were assured a safe exit, the pressure would be on Beijing to guarantee the colony's liberties or take over a dead golden goose.

Polls show that 42 percent of Britons favor emigration rights for Hong Kong subjects, with 46 percent against. Leadership could build a majority for decency. And by opening its gates, Britain could credibly ask others to open theirs. What is needed is a commitment now, not just a pious pledge to do something if the worst happens after 1997.

—THE NEW YORK TIMES

Hounded but Not Accused

At some point last year, it seems, the U.S. government started getting suspicious that Felix Bloch, a veteran American diplomat with a long record of service, was spying for Moscow. Earlier this year he was apparently videotaped in passing a briefcase to someone identified as being associated with the KGB. On June 22 he was put on administrative leave and shown of his State Department building pass. On July 21 ABC News broke the story that he was an espionage suspect. The news was a summer sensation, not least for being a blow at the image of a penetration-proof diplomatic corps, and in the Gorbachev era, no less. More than a week later, although he is everywhere being fawned by the FBI, Mr. Bloch has not been formally accused.

This is a strange case. Is it conceivable that the government has made a horrible mistake and that an innocent man has been smeared, his career broken, his life irreversibly changed? Is it more likely either that the FBI mishandled the investigation or that the suspect was somehow tipped off, so that the FBI was forced to confront him prematurely before it had the materials of indictment? One former CIA director who is still in a position to know, George Bush, calls the case "very serious." Certainly one would like to think that the government would not launch a strenuous investigation of Mr. Bloch, or make damaging public and anonymous statements about him, if it did not believe that it had cause. The heavy surveillance, by the way, is apparently owed to the FBI's bitter memory of letting an American spy suspect, Edward Lee Howard, and a Soviet defector, Vitali Yurchenko, slip off to Moscow.

In counterintelligence cases, the foreign handlers do not step forward to assist the FBI, and unless the suspect is caught in the act or chooses to talk it can be hard to make a case. Confrontation, exposure, embarrassment and surveillance do constitute counterintelligence techniques available in the absence of a readiness to take a suspect to court. The kind of public disgrace that has been visited upon the unindicted Mr. Bloch, however, is bound to perplex anyone concerned with the ways of a careful judicial system. We hope—and assume—that there will be reassuring answers to the questions this case has raised.

—THE WASHINGTON POST

A Self-Serving Sermon

Japan's diplomats and industrialists are forever advising Americans that they must work harder. Alexander Solzhenitsyn, in an interview with Time magazine, chides Americans for being interested in their rights rather than in their duties. Richard Darman, director of the Office of Management and Budget, has joined in the scolding. He deplores a feeble scale of investment, high consumption and "self-indulgent theft from the future." Are these reproaches deserved?

The Darman thesis is that Americans have strayed from the values of working and saving and choose to let future generations pay for today's consumption. Like the spoiled child in the recently revised commercial, he said at the National Press Club, Americans seem on the verge of a collective scream: "I want my Mayo. I want it NOW!"

His warning is plausible; shortsighted gratification is evident everywhere—in the drug epidemic, the teen-agers who drop out of school, the negligible rate of saving by consumers, even though that has recently perked up a little after sinking to a historic low. Government is setting no example. Ronald Reagan inherited a national debt of \$800 billion and increased it to \$2.2 trillion.

The solids may have a serious point, but their motives are not always laudable. Mr. Solzhenitsyn has never hidden his disappointment in the lack of authoritarian government that he believes would suit the West. Japanese negotiators do not focus attention on their pervasive system of closed markets and unbalanced trade. Even Mr. Darman's sermon may include an element of special pleading. It is his president, after all, who insists on continuing the no-new-tax policy, despite the Reagan deficit.

Mr. Darman portrays that mess of debt as merely the symptom of values gone astray. Many think of the deficit, he explains, as a cause of problems, but it is also a symptom. "It is the mathematical representation of our wish to buy now, pay later." So it's the moral weakness of the citizenry, not the profligate politics of Republican presidents, that has so narrowed America's choices.

Other governments force self-denial on their consumers. Sometimes in a good cause, more often not. For years the Soviet Union invested its surpluses in building a military machine far transcending the needs of self-defense. As Marshal Sergei Akhromyev said last week: "Think of the 40 years of confrontation. What is it we gained? The old style has exposed itself: it is fruitless."

Japan, rather more effectively, makes its consumers' savings available as low-interest capital to industry, but forces its citizens to endure a lower standard of living, cramped housing and long commutes.

Americans are just as willing to postpone gratification. The difference is that they require their government first to persuade them of the necessity. Mr. Darman is right to wish that Americans would live more like ants and less like grasshoppers. It is his president who should be explaining why provision needs to be made for winter.

—THE NEW YORK TIMES

Other Comment

Drifting Toward Extinction

We live in an age of mass extinction. Scientists say that each hour four species vanish from the planet. Today, as never before, an ethic that speaks of conserving rather than pillaging the planet's finite resources is desperately needed.

Consider, then, the folly of drift net fishing. Up to 50 kilometers long and 15 meters deep, nylon mesh "walls of death" are the sea's equivalent of a black hole. The huge nets not only snare their intended victims—squid in the Pacific and albacore tuna in the North Pacific—in ruinous quantities, they also swallow dolphins, baby whales, seals and anything else in their reach.

The South Korean government recently resolved to ban its commercial fishermen from using the nets. Japan and Taiwan, the remaining culprits in this indefensible strip mining of the Pacific, are holding out. In the face of mounting protest from the island nations of the South Pacific, their drift net fleets continue to plunder the ocean. Both governments are trotting out the more-research-is-needed shibboleth. Ironically, while looting the world's common resources Japan has taken the precautionary step of banning drift net fishing in its own waters. The 15 South Pacific Forum countries have come out surprisingly united in their condemnation of both governments—surprisingly, because Japanese aid has become increasingly important in the South Pacific.

Decisions of disinterest alone, however, will not save the albacore tuna industry, which many experts feel will die out in as little as two years if drift net fishing in international waters is not outlawed. Bullying the raiders into submission by denying them a port of call may work, if all countries rigorously back such a ban. But what is really needed, for drift net fishing and for the global environment in general, is recognition that maximum production at minimum cost ultimately fosters a fool's economy. A more farsighted principle is needed, one that balances demand with future need.

—Asiaweek (Hong Kong)

INTERNATIONAL HERALD TRIBUNE

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel.: (1) 46.57.93.00. Telex: Adverdis. 612595; Circulation, 612832; Editorial, 612718; Production, 630698.

Director of the publication: Richard D. Simmons

Editor for Asia: Michael Richardson, 5 Cambridge Road, Singapore 0511. Tel. 473-7768. Telex: R558028. Hong Kong: Dr. Asia, 101 Robinson Road, Hong Kong. Tel. 5-8610616. Telex: 61170. Moscow: Dr. U.S.S.R., 63 Long Acre, London WC2E. Tel. 836-4902. Telex: 263009. New York: Dr. U.S.S.R., 63 Long Acre, London WC2E. Tel. 836-4902. Telex: 263009. New York: Dr. U.S.S.R., 63 Long Acre, London WC2E. Tel. 836-4902. Telex: 263009.

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The Vision Should Be of a Healthy Earth

By Flora Lewis

PARIS — Some criticized George Bush's pledge to establish a moon colony and a manned flight to Mars for lacking specifics about dates and money. But the real trouble is the idea itself. Nostalgia for the grand glow that suffused America, and much of the world, when Neil Armstrong made his "giant leap for mankind" 20 years ago isn't much reason for an extravagant new commitment. Have people forgotten how quickly it faded and left us with our real problems?

Space exploration is useful as well as satisfying to an innate, healthy desire to know more about the universe. It can be done at least as efficiently and at vastly less expense, for a long time to come, without shooting people off the home plane.

There are some quirky, narrow-based arguments for manned missions. One is NASA's eagerness for grandiose projects to keep it in business. Another is the wish of a few to be the ones to provide a vicarious great adventure to the rest of us. The former astronaut Rusty Schweickart advances the odd thesis that mankind's greatest need is venturing into space and can be refreshed by extraterrestrial exposure.

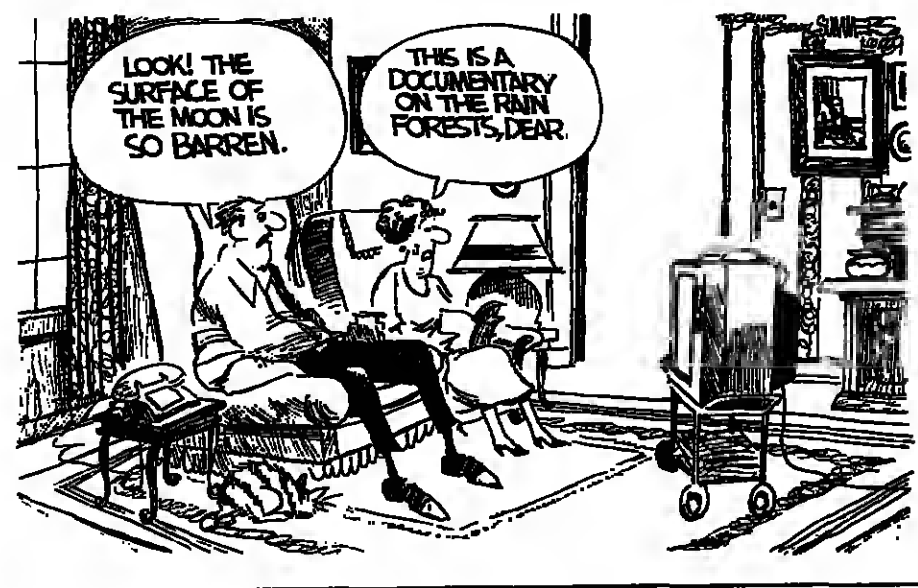
The real appeal, though, is an underlying sense of need for a "vision," an enterprise to give wings to the imagination and a feeling of grand purpose as we go about mundane affairs.

Looking to the moon and Mars is looking in the wrong direction. The time has come to find that vision on earth, which we have seen in the photographs from space, the luminous blue ball swathed in lacy mists, sailing serenely through the emptiness. You could put a tiny "x" on the picture and mail it to friends with the message, "That's where I live."

But it doesn't look like that down here, and the way things are going we don't know how much longer it will look like that from out there.

The warnings come in a barrage now: sick seas awash with suffocating algae; ultraviolet radiation due to ozone depletion; global warming; loss of topsoil (24 billion tons a year) as the population swells (by 86 million a year); loss of air-purifying forests. And they are beginning to be heard.

At the Paris summit, the Group of Seven put major emphasis on the need for far-reaching environmental initiatives. For the first time, there was top-level recognition that development, debt re-



China Looks Ready to Compromise on Cambodia

By Noordin Sopiee

SHANGHAI — Like several other key participants at the international conference on Cambodia which opened in Paris on Sunday, China would appear to have toughened its position. Nevertheless, it is clear that Beijing's current strategic objectives and constraints are likely to induce flexibility. And this provides an opportunity for a breakthrough that Vietnam and the Cambodian factions would be ill-advised to squander.

Even in the past, the Chinese have not been as rigid on Cambodia as was often supposed. And in recent months Beijing's Cambodia policy has evolved in ways that suggest readiness for conciliation and constructive compromise.

The Chinese objectives of weakening Vietnam, making Vietnamese forces withdraw from Cambodia and ensuring that Hanoi is in no position in the foreseeable future to create an Indochinese federation with Vietnam as its center have been secured.

After intensive international media coverage of the suppression of the pro-democracy movement in China in June, the image of the Beijing government is, fairly or not, at its lowest point since the excesses of the Cultural Revolution. Beijing is on the defensive and can ill afford to be seen as the obstacle to peace in Cambodia.

China's options today are extremely limited. The United States and other Western states which provided loans, aid and technology have been outraged by the crackdown on mass protests led by Chinese students. The United States has threatened to withhold aid to Cambodia if the Khmer Rouge, widely blamed for the deaths of hundreds of thousands of Cambodians when it was in power between 1975 and 1979, is given a dominant role in any interim government set up as part of a peace settlement.

In the past, China has huddled in comradely conviviality around the Khmer Rouge campfire. Now there are signs that the Khmer Rouge, the strongest military group in the Cambodian resistance coalition, and Chi-

duction and environment are linked problems that must be addressed in a common context.

President François Mitterrand, who supports the idea of a European environmental agency, has said that there is no "political authority capable of taking decisions on a global scale." True, but the environment has become a mainstream political issue in many countries, including Communist-run states. "Green" parties are sprouting in most democracies. People are ready to pay attention when clear, specific programs are offered.

The American Forestry Association launched a campaign to plant 100 million trees in U.S. cities by 1992, which would take only a drop out of the carbon dioxide bucket. But experts have concluded that planting lots more trees and protecting existing forests could make a significant difference in this menace to the atmosphere.

The U.S. General Accounting Office estimates that there are 130,000 to 425,000 hazardous waste sites in the United States. The Environmental Protection Agency has started cleanups of 257 and has completed 48 since 1980, according to the Worldwatch Institute.

Public concern and availability of information have come a long way since Ronald Reagan assured everybody that "acid rain comes from trees" and is nothing to worry about.

But the explosion of awareness has a drawback. There are so many aspects to the degradation we are imposing on our earth, so many kinds of problems, scientific, industrial and agricultural, local, national and global, that it is hard to know where to start. Mind-boggling disasters are predicted. Proposals come pouring out at a bewildering rate, without priorities or clear focus.

This is the subject to pull together in a grand vision, so as to offer the goal of a sustainable earth, to provoke hope through a vision in which all can participate, and not just accuse drivers.

It will take the coordinated expertise of a great many people, just as man-on-the-moon did. It will take a lot of our money, in the same way. And it will take explanation, exhortation, provision of a unifying understanding that saving the earth is a noble, exhilarating endeavor in which all can take pride.

We do need to look forward to something exciting. Return to the moon? Maybe some day; anyway, it won't be the same the second time. For the poetry of leadership he seeks, let Mr. Bush proclaim: Meanwhile, back on the earth ...

The New York Times

The People Are Waking In Russia

By Stephen S. Rosenfeld

WASHINGTON — The surprise in the latest ratcheting of tensions in the Soviet Union is that American conservatives, who pride themselves on being hardheaded, are being the downright softheaded. They see the summit of the new superpower simply as proof of their contention that Mikhail Gorbachev has bitten off more than he can chew and that events and his enemies may pull him down. His latest extra assignment is taken as confirmation that the United States must keep its powder dry.

This seems to me an extraordinarily narrow reading that misses the point one would think conservatives would be looking to embrace. Forget about his go-whiz foreign policy. The point is that Mr. Gorbachev has now brought the huge and heretofore sullen and unheeded working force into the circle of those who are crying for change. The demands of this class, constituting potentially the most powerful constituency in the country, are likely to preoccupy the leadership for the next 20 or 30 years.

Not only does the proletariat's access to politics make the Soviet commitment to some sort of perestroika virtually irreversible. More important perhaps to conservatives, it reinforces all the considerations already imposing a low-cost, low-risk foreign policy on the Kremlin.

In graduate school I wrote a master's thesis on the disintegration of the Russian army during World War I; that is what brought Lenin to power. Russia is not at war with a foreign power now; the homeland is strong, unthreatened and secure. But an updated version of pre-revolutionary 1917 is being staged again in the Soviet Union. The "army" constituted by a once disciplined, docile and undemanding working class, one that used to confine its "resistance" to drunkenness and sloughing off, is starting to break up. The "soldiers" of the pro-U.S. army are defying their officers and formulating orders of their own.

One can imagine Mr. Gorbachev or a successor pulling the chain on the handrail — a few thousand or more — Moscow intellectuals who most treasure and profit from glasnost, putting them back in their institutes and putting the tailing of truth again in the hands of the underground.

But an aroused working class cannot be dealt with so easily. Not the miners or all those other workers who will surely now be tempted to follow the miners' example and to pose their own material and political demands to the state authority. A tap has been turned on that no Soviet politician could turn off short of a return — unthinkable, I believe — to a form of Stalinism verging on mass repression.

We see how Mr. Gorbachev intends to handle this crisis: as another opportunity to clear out his political opposition and to move into the advanced economic reforms that he has not been strong enough to test so far. This is the work of a generation, during which time the Soviet Union effectively sidesteps itself as a powerful, power-proving world force of the old school.

We need further to see that the forces unleashed by Mr. Gorbachev will remain a huge, irreducible political reality encumbering any successors. These might be nasty people, but they are not going to have the popular quiet that allowed Mr. Gorbachev's predecessors to play the world game. They are not going to be able to avoid the spectacle of a first-look technological and social abyss that drove Mr. Gorbachev to reform. And they are going to have to cope with his legacy of a public that insists on living a halfway decent 20th century life.

In the United States, the conservative response to Mr. Gorbachev has been dominated by the fear that America might somehow be swayed by the magic of the man, drop its guard and pay a heavy price.

The notion is absurd. Washington, for instance, that the Soviets still need to be persuaded to forsake foreign adventure and turn inward. A common notion holds that it still makes sense to challenge them to big spending and technology competition in new weapons systems. It is suggested that it is against America's interest to enable the Kremlin to borrow money at commercial rates in the West in order to import consumer goods.

Well, let the West be prudent. But let it not ignore the ever more irrefutable evidence that Mr. Gorbachev and the forces he has loosed are taking the Soviet Union to a point of no return. While we debate what it all means, he and his country act. Increasingly, the Western burden is not to predict what may come in the future but to grasp what has already taken place.

The Washington Post

100, 75 AND 50 YEARS AGO

1889: Mirabeau Found?

PARIS — Dr. Paul Robiquet, writing to the Temps, suggests that Mirabeau's remains should be transferred to the Pantheon. That honor had been denied him years ago, but the Robiquet, who is an authority on old Paris, asserts that he knows exactly where to find Mirabeau's grave. It is, he says, close to the Hôpital de la Pitié, boulevard St. Mame.

1914: War Is Looming

BERLIN — War appears to be inevitable. It is little thought that Russia will give a satisfactory reply to Germany's inquiry as to the meaning of the mobilization of Russian troops. The Guards regiment at Potsdam, today [July 30] placed on war footing. This measure, which must undoubtedly be regarded as Germany's first step in reply to Russia, has been greeted with enormous enthusiasm, the crowds singing "Die Wacht am Rhein."

The momentous importance of the situation is now apparent to all. A special council was summoned last evening by the Kaiser.

1939: Italian Maneuvers

ROME — Fascist Italy made her bid today [July 30] for some of the glamour and military prestige of long distance forays: the flight of the bomber Scuderi, which was staged over Sicily, Sardinia, Corsica and the Dodecanese to test them out. Important tactical problems are stated to have been worked out with correspondingly important conclusions about the ever-increasing efficiency of the use of aircraft in sea.

Karajan: Careerism Is a Weak Excuse

By Richard Cohen

WASHINGTON — To the extent that the late Herbert von Karajan commented at all on his Nazi Party membership, he said that he joined to advance his career. If so, it worked. At a very young age, he became a favorite of the Nazi hierarchy and the arbiter of the older Wilhelm Furtwängler.

As a good Nazi, Mr. von Karajan conducted orchestras that had been purged of Jews and political nonconformists. The conformist with the baton presumably never noticed that some key players were missing.

Various obituaries have failed to stress his Nazi Party membership. Leonard Bernstein himself interrupted a European concert to ask for a moment of silence. Possibly, Mr. von Karajan confided his regrets to peers like Mr. Bernstein, but the public record is devoid of any regret or explanation, save careerism.

If that was indeed the case, then the maestro was no different from his ordinary German street conductor. He, too, kept his mouth shut to advance his career.

Had Mr. von Karajan apologized, explained — used some of his vast wealth (royalties of \$6 million a year) to aid the victims of Nazism, his reprehensible past could have been forgiven. But there is no record of this.

Arthur Koestler, the late British writer, said it was an intellectual's duty to use his gifts to protest against man's inhumanity to man. He made that statement as a rebuttal

to a fellow British intellectual who said he had not known what the Nazis were doing. Not good enough, said Mr. Koestler. It was the intellectual's obligation to know — to know and to do something about it.

Herbert von Karajan surely knew what the Nazis were doing. But the same could be said for a musical establishment — critics, impresarios and morally vacuous audiences — which cherished Mr. von Karajan for his awesome talents, never mind what he did during the war.

A lesser figure might have been held accountable, might have been asked why he did not go into exile or otherwise object to the murder of innocents, but not Mr. von Karajan. From him, nothing was demanded but mighty music. He died an immensely wealthy and acclaimed man.

His opportunism, while reprehensible, was at least astute. He would sometimes grant interviews on the condition that he not be asked about his Nazi past, and a talking press, eager for news from the maestro, sometimes agreed. At other times, he threatened to cancel tours if his Nazi past was mentioned. Usually he was appeased.

His genius was not limited to music. He knew something about human nature as well. Everyone has a career to advance.

This sort of compartmentaliza-

tion, separating the person from his work, is done all the time, but not without difficulty. The poetry of Ezra Pound is valued, even though he was a traitor. Richard Wagner's music is loved, even though he was, politically, a precursor of Nazism. And the works of Andy Warhol fetch high prices at the same time that his published diaries reveal him to be a vindictive asshole. He could, however, paint.

Reconciling the artist with his work may be an impossible task, and no one is suggesting that Mr. von Karajan should have been banned for life from the concert hall. But neither should his Nazis have been slighted by critics and obituary writers. They treated his membership as if it were a misstep in an otherwise brilliant career — an off-night, maybe on account of an upset stomach. To his fans and colleagues, his music seemed not to matter most, but entirely.

My perspective is a bit different. In Prague the other day I visited a museum dedicated to the children of the ghetto that the Nazis established in the Czech city of Terezin — children who were later shipped to Auschwitz, where they were murdered. In Terezin, the children painted pictures. I will mention just one of the wonderful, colorful butterflies of Gabi Freilova, aged 11. She died at Auschwitz on May 18, 1944. She, too, could have had a brilliant career.

Washington Post Writers Group.

The People Are Walking In Ruins

By Stephen S. Engelberg

WASHINGTON — In the last few days, the streets of the Soviet Union have been filled with a new sight: people walking in ruins. The ruins are not of buildings, but of the Soviet Union itself. The people are walking in the ruins of a system that has failed them.

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Felix S. Bloch walking his dog under FBI escort near his daughter's suburban New York home.

News Reports Strengthened Hand Of U.S. Spy Suspect, Official Says

By Stephen Engelberg

Washington Post Service

WASHINGTON — Felix S. Bloch, the State Department official under investigation for espionage, was "agitated" over whether to cooperate with authorities in the days before the case was made public by a broadcast account, according to a senior government official.

The official said that Mr. Bloch was uncertain how much investigators knew about his activities and that "he thought we knew more than he did."

Mr. Bloch has not been charged with any crime.

He has been shadowed by reporters and agents of the FBI since the inquiry about him was disclosed a week ago by ABC News.

The senior official, who said he was convinced that Mr. Bloch was a Soviet agent, contended that the news accounts had strengthened the suspect's hand in dealing with the government.

"The reports disclosed, among other things, that the inquiry began only recently."

"To find out when we got onto him is a real boon," this official said. "Until then, he was not sure what he had to cover."

The official said that before the case was publicly known, the

surveillance and wiretapping of Mr. Bloch had continued to yield evidence helpful to investigators.

As a means of eliciting admissions, investigators often hint to espionage suspects that they have detailed knowledge of the case, but say they cannot mention specifics because they need to protect a highly placed source of information.

This sometimes has prompted people to make damaging admissions, even though the questioners actually had only sketchy knowledge.

President George Bush expressed concern Friday about the intense coverage of the case, saying that leaks could "jeopardize the case itself and perhaps the man's ability to get a fair hearing."

U.S. officials said last week that the intensive FBI inquiry into Mr. Bloch's background and contacts had concluded that he was clandestinely paid large sums of money by Soviet agents over several years.

But two officials in separate government agencies said they did not believe that Mr. Bloch had acknowledged in an interview with FBI agents that he had been paid "a lot of money" by the Soviet Union or that he worked with Soviet agents "for many years."

"That would be news to me," said one official who has read the reports on Mr. Bloch's interview with the FBI.

The New York Times, quoting an official involved in the investigation, reported that Mr. Bloch had admitted to FBI agents that he had received the payments and worked with the Soviet Union for years.

That official, interviewed a second time after the report appeared, said he remained certain that Mr. Bloch had made such statements to the FBI.

The official said that the interview with Mr. Bloch had taken place two to three weeks ago and that as far as he was aware, it had not been tape-recorded, nor would it have been under general FBI practice.

Using a conversation covertly to develop information for a criminal prosecution, without formally notifying a suspect about his or her rights could jeopardize any prosecution, and beginning an interview with a request for tape-recording could frighten a suspect into refusing cooperation.

Mr. Bloch remained out of sight during the weekend at the home of a daughter in Chappaqua, New York. Mr. Bloch has yet to respond in public to any of the allegations.

Rafsanjani Wins 94.5% Of Vote for President

The Associated Press

TEHRAN — The speaker of the parliament, Hashemi Rafsanjani, has captured 94.5 percent of votes cast in the Iranian presidential election and will have unprecedented powers under constitutional changes approved at the same time, according to final results announced Sunday.

Interior Minister Ali Akbar Mohtashemi said that the constitutional amendments were approved by 97.38 percent of the voters in a referendum held simultaneously with the Friday election.

Mr. Mohtashemi said that the 54-year-old speaker received a total of 15,537,394 out of 16,439,247 ballots cast. His only challenger, former Agriculture Minister Abbas Shabani, won 632,583 votes, or 3.8 percent.

Challenger Accepts Loss

Patrick E. Tyler of the Washington Post reported from Cairo: Mr. Shabani conceded Mr. Rafsanjani's victory on Saturday, saying: "I congratulate this good choice, made with an overwhelming vote, to all those who love Islam and the Islamic Republic."

Under the new constitutional amendments, the office of prime minister was abolished and the president will assume day-to-day control over the cabinet, the budget, internal security forces, the armed forces and the Revolutionary Guards.

The significance of this election, coming eight weeks after the death of Ayatollah Ruhollah Khomeini, stems from the expectation that Mr. Rafsanjani will seek to end the isolation of Iran, control revolutionary extremism and usher in an era of relative stability and economic prosperity.

Western diplomats in Tehran and Iranian officials have said that Mr. Rafsanjani may name as many as 10 to 15 cabinet ministers. On Wednesday, Mr. Rafsanjani said that he wanted a cabinet with a "comprehensive view."

Speculation has centered on the possible elevation to vice president of Foreign Minister Ali Akbar Velayati.

Leading hard-liners, such as Prime Minister Mir Hossein Mousavi and Mr. Mohtashemi, maintained a high public profile before the elections, fueling speculation that Mr. Rafsanjani wanted to keep them in the government, although some observers said that he would give them less control over policy-making.

Other analysts in Tehran say that Mr. Rafsanjani will move slowly to consolidate his control over the government while working in a loose coalition with the hard-line leaders.

Israeli Court Curbs Demolition of Homes

By Jackson Diehl

Washington Post Service

JERUSALEM — The Israeli Supreme Court moved Sunday to restrict the army practice of demolishing the homes of security suspects in the occupied territories, saying that residents have the right to appeal in court before action is taken.

The unanimous decision, taken in response to a petition from a civil rights group, marked the first time in the 19-month-old Palestinian uprising in the territories that the Israeli high court has issued an order against army security measures, lawyers said.

Civil rights advocates said that the ruling could delay by weeks or months punitive demolitions that sometimes have been carried out within hours of the army's identification of a suspect.

The demolitions, used by the Israeli military in its effort to put down the uprising, have been strongly criticized by the United States and international human rights organizations.

The Association for Civil Rights in Israel, which brought the Supreme Court case, said that about 200 homes had been demolished by the army in the West Bank and Gaza Strip since the violence began in December 1987, while another 100 had been sealed.

Though the court decision will not stop demolitions, civil rights advocates believe that it may reduce their number by giving families a chance to present their cases to military commanders and the court. Under the ruling, residents of a home ordered destroyed can appeal to the local military commander within 48 hours, and if re-

fused will get another 48 hours to appeal to the Supreme Court.

"Once they have to wait a while, and they have to think about it," said Joshua Schaffman, legal director of the civil rights association, "and they have to hear the family and see that they are real human beings and not abstractions, we hope the military commander will react accordingly and fewer demolitions will be carried out."

The decision represented a rebuff to Defense Minister Yitzhak Rabin, who last month requested government approval for stronger administrative powers for the army in the territories, including the right to demolish homes and carry out expulsions without appeal.

The proposed measures were opposed by the Justice Ministry, and military sources said it was now unlikely they would be adopted.

The court said that the army re-

tained the right to seal a home without prior notice or appeal, because this was reversible. It said that the military may also destroy a house without a hearing for urgent reasons during an operation, but that in no case could a punitive demolition take place without prior notice and the right to appeal.

Five Palestinians are Killed

A Jewish settler shot dead a Palestinian during clashes in the Gaza Strip, three Arabs died of army gunfire wounds and another was beaten to death by Palestinians.

In Jerusalem, Israeli police raided the offices of the Kach movement, a militantly anti-Arab group led by Rabbi Meir Kahane, and arrested eight activists.

In Gaza, a Sullen War of Arab ID Cards

Washington Post Service

EREZ CHECKPOINT, Israel — Before sunrise each morning, as packed cars of workers bound from the Gaza Strip to Israel pass haltingly through this army roadblock, large and silent crowds of men begin to gather on the asphalt outside an old warehouse.

Some of the men come voluntarily, rising early and sitting for hours on a rough pavement under the guard of Israeli troops. Others are forcibly rounded up from their neighborhoods and based in. Many come because soldiers have confiscated their identity cards at the checkpoint and told them they must go to retrieve them.

The sullen convocation marks Israel's latest and most elaborate bureaucratic effort at controlling the population of its occupied territories, a mounting offensive of paper and plastic that seems likely to lead to a major test of strength in the coming weeks with the leadership of the Arab *intifada*, or uprising.

After as many as three hours of shuffling through a succession of tents while they are identified, checked, taxed and photographed, the men are issued small, plastic cards that authorities say must be essential for passage between the Gaza Strip and Israel.

Thus begins the battle of the transit permits, a contest that matches the army's high technology against the *intifada*'s grassroots

organization. Army officials say that, beginning Aug. 18, any of Gaza's 600,000 residents wishing to leave the territory — above all, the 50,000 going daily to Israel jobs — will have to show either the new card or a special permit.

Those who get arrested for joining the *intifada*, refuse to pay their taxes, fail to respond to police and court summons or commit offenses in Israel, officials say, will not be allowed out.

The uprising's organizers, however, seem to think they can make their own use of the army's new weapon.

"People come here and wait, and when their number is called, they get their card," said an Israeli lieutenant colonel, gesturing at the last tent in the elaborate card-processing operation he has been running the last six weeks. "Then they go home and the boys take it away from them. That's the game."

Even as the army's barricaded base methodically churns out the color-coded, photo-embossed magnetic cards for the Palestinians of the Gaza Strip, hooded youths carrying sticks and axes parade through the territory's refugee camps and appear in residential neighborhoods at night, confiscating them for delivery to the uprising's committees.

By the time the checkpoint is sealed three weeks from now, uprising organizers say,

even those Arabs who want to use the new cards to enter Israel will not be able to do so without the permission of the local committees, giving them a power over the workers they have never had in the past.

As the two sides have concentrated on distributing and confiscating the cards in recent days, residents and observers have begun to foresee a standoff between the army and the uprising, with the territory's residents barred by the military from entering Israel without a pass and barred by the committees from getting or keeping a card.

"If we get the cards, the guys will take them, but if we come to the checkpoint without the cards the army will confiscate our IDs," said Naim, a worker who passed through the checkpoint early one recent morning. "What can we do? All we can do is sit at home."

If the Gaza workers are forced to stay home, both the population of the territory and many Israeli businesses will quickly feel the pinch.

The thousands of workers who pour through the checkpoints early each morning represent the most important source of income for Gaza's population and provide the cheap, unskilled labor needed in the Israeli construction, manufacturing and services industries.

— JACKSON DIEHL

Arab League Panel Polishes Lebanon Peace Plan

Reuters

RABAT, Morocco — Arab League peacekeepers put the final touches Sunday to proposals to end the war in Lebanon.

The foreign ministers of Algeria and Saudi Arabia met Foreign Minister Abdelatif Fial of Morocco in Rabat.

It was not clear whether the three ministers would meet again before reporting on the peace effort to

their heads of state, who were charged by the Arab League with mediating in the Lebanese crisis.

Lebanese officials said about 600,000 people had left Beirut since battles broke out in March between Christian and Syrian troops.

The Arab League in May gave King Hassan II of Morocco, President Chadli Bendjedid of Algeria and King Fahd of Saudi Arabia a

six-month mandate to end fighting in Lebanon and start talks.

But their committee has so far failed to negotiate a halt to battles between Major General Michel Aoun's Christian forces and Syrian troops and their allies.

Fire in Beirut

Artillery duels raged between Syrian and Christian forces across

Beirut on Sunday, setting huge fires in residential districts in the city's Muslim and Christian sectors, The Associated Press reported.

The Lebanese ambassador to Iraq, Hikmat Awad, was quoted as confirming that the Christian side had acquired surface-to-surface missiles and other sophisticated weapons from Baghdad to bolster General Aoun's campaign.

Pre-Summit Rendezvous — in Wyoming

By Don Oberdorfer

Washington Post Service

PARIS — The U.S. secretary of state, James A. Baker 3d, and Foreign Minister Eduard A. Shevardnadze of the Soviet Union have announced that they will conduct intensive preparatory discussions for a U.S.-Soviet summit conference when they meet again Sept. 19-20 in the unusual setting of Wyoming.

If the Wyoming talks are successful, Mr. Shevardnadze said, the first summit meeting between President George Bush and President Mikhail S. Gorbachev will take place "rather soon."

Mr. Baker declined to say whether the meeting would be held before the end of the year.

In the first top-level diplomatic

session of the two nations since mid-May, Mr. Baker and Mr. Shevardnadze dwelt at length Saturday on the dramatic wave of strikes and other internal developments in the Soviet Union. Their talks also produced Soviet proposals for closer scientific, economic and cultural ties with the United States.

The talks on the eve of an international conference on Cambodia to be attended by the foreign ministers of nearly 20 nations, was scheduled for two hours but lasted three hours and 10 minutes, most of it taken up in intimate one-on-one discussions with only interpreters and note-takers present.

Mr. Baker suggested intensified discussions of economics to explore possible U.S. technical assistance to Moscow on economic issues, and Mr. Shevardnadze appeared to ac-

cept the idea in principle, according to U.S. aides.

Mr. Shevardnadze also presented proposals for a new U.S.-Soviet accord in the field of human rights and for accelerated superpower cooperation in working for a worldwide ban on chemical weapons.

For his part, Mr. Baker presented a written U.S. position on Central America that sought to enlist Soviet help in the regional peace efforts there and to pin down details of Mr. Gorbachev's private message to Mr. Bush in May declaring that Moscow had stopped supplying weapons to Nicaragua.

A Soviet Foreign Ministry official who sat in on the talks, Vitali Churkin, said of the Nicaragua arms ban announced by Mr. Gorbachev: "We mean what we said,

and what was said is what is happening."

But from the U.S. standpoint, a senior State Department official said, "the jury is still out" regarding Soviet compliance with the ban.

The idea of a high-level U.S.-Soviet meeting in Wyoming has been in Mr. Baker's mind for many weeks and was discussed with Mr. Bush before springing it on Mr. Shevardnadze on Saturday, aides to the secretary of state said.

Mr. Baker, who purchased a ranch in December on the western slope of the Wind River range near Boulder, Wyoming, showed Mr. Shevardnadze color photos of the landscape. Mr. Shevardnadze's note-taker and interpreter "visibly brightened" at the idea of a (lunch to the American West, and Mr. Shevardnadze quickly accepted the plan, a U.S. participant said.

The idea of ministerial meetings outside Washington or Moscow occurred to Mr. Baker when he traveled to the Soviet capital two and a half months ago. Aides said he believed such trips to the hinterlands would add interest as well as intimacy to the sessions, which usually involve dozens of aides on each side and an extensive agenda.

There is no possibility of holding the meeting on Mr. Baker's ranch, which was described as having only one old cabin built many years ago by trappers, with no electricity, indoor plumbing or running water. The State Department has not yet begun to make reservations or other arrangements for the sessions in Wyoming, an official said, though Mr. Baker evidently has some ideas about potential sites.

A Bush-Gorbachev summit meeting would be the first negotiating session between the two men, who have met several times, most recently at the luncheon for President Ronald Reagan at Governor's Island in New York harbor in December.

Mr. Gorbachev was among the foreign leaders whom Mr. Bush telephoned in his first days as president in January, and the two have carried on a lively correspondence, including a letter handed over to Mr. Baker for transmission to the president Saturday. Neither side would disclose its contents.

Billy Graham in Hungary

The Associated Press

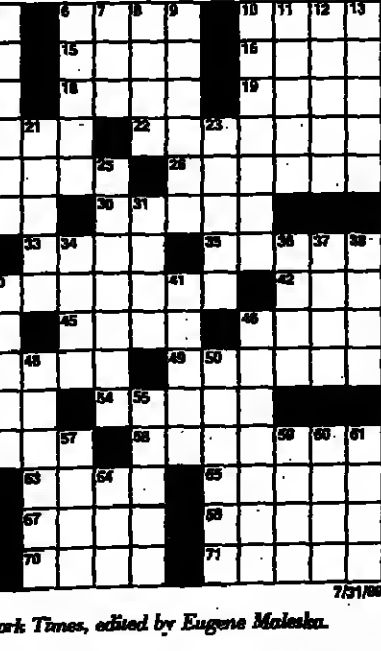
BUDAPEST — The Reverend Billy Graham, the American evangelist, preached to an estimated 90,000 Hungarians in a Budapest soccer stadium on Saturday.

ACROSS

- 1 Circus
- 2 Drinks slowly
- 3 Freeway exit
- 4 Fruit. Comb. term
- 5 Jog
- 6 Confirms
- 7 Warning
- 8 Man or Wright
- 9 Flower holder
- 10 State bird of La.
- 11 Decrees
- 12 Horsemen's interests
- 13 Golf course "birds"
- 14 Espies
- 15 Precursor of said or thought
- 16 Border in
- 17 Easy center
- 18 Gaffe
- 19 Blas or Hodges
- 20 Some eyed plays
- 21 42 Maltre
- 22 Luther or Polly
- 23 One of Cain's brothers
- 24 Units of 1/1000 inch
- 25 Main points
- 26 Egg dish
- 27 American League "bird"
- 28 African nation
- 29 Ice-cream flavor
- 30 Songbird
- 31 Periods
- 32 Orient
- 33 Critical or crucial
- 34 Lease
- 35 An Algonquian
- 36 Type, as of art
- 37 Uno, dos, —
- 38 Saline drop
- 39 Automobile lemon

DOWN

- 1 — and bells for fools? Cowper
- 2 Bundle of cotton
- 3 Spoken
- 4 Erect or honest
- 5 Male feline
- 6 Use sparingly
- 7 April agcy.
- 8 Field or water sport
- 9 Hi-fi successor
- 10 One who wreaks havoc
- 11 Advantage
- 12 Legal middle
- 13 Iron
- 14 Passageway
- 15 Ventures
- 16 Without vitality
- 17 Heroic tale
- 18 Footnote abbr.
- 19 Sea bird
- 20 Yard parts
- 21 Kilt
- 22 Wading bird
- 23 Leer's little sister
- 24 Become inactive
- 25 Dentist's tool
- 26 Valeria Harper role
- 27 Throated
- 28 Chooses
- 29 Administer
- 30 Open
- 31 Less common
- 32 Senseless
- 33 Say
- 34 Swiss river
- 35 Revs, as an engine
- 36 French being
- 37 Staggar
- 38 Black, Red or Yellow

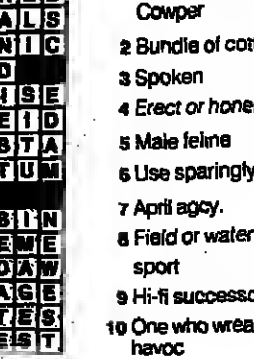


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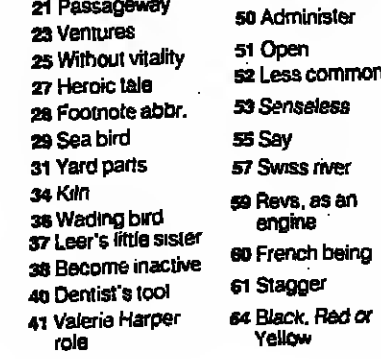
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A Collision Course in Poland?

Party Reshuffle Sets Government and Solidarity at Odds

By John Tagliabue
New York Times Service

WARSAW — The reshuffling of the Polish Communist Party leadership does not appear to have brought Poles a quantum leap closer to the resolution of their pressing economic problems.

With the resignation on Saturday of President Wojciech Jaruzelski as Communist Party leader and his replacement by Prime Minister Mieczyslaw Rakowski, an orthodox Communist who is also a foe of Solidarity, the government and opposition appear more than ever to be marching on a collision course.

General Jaruzelski's resignation from the top party post was expected; he had pledged to step down if elected to the new office of president. As president, he acquires powers greater than those he held as party secretary. He is responsible for foreign relations and has the right to declare a state of emergency and to dissolve parliament for new elections. General Jaruzelski, who is limited to two six-year terms, is also commander in chief of the armed forces.

It was unclear who would succeed Mr. Rakowski as prime minister.

Mr. Rakowski appears to have convinced General Jaruzelski, and through him Moscow, that the party, to remain a viable force in Poland, must forge a fresh constituency among the managers and workers of industries with a promising future — light industries like electronics or food processing, and services like banking, finance and

tourism that are woefully underdeveloped in Poland.

Mr. Rakowski has been at the forefront of a movement within the party to transfer ownership of state companies in these sectors to party-nominated managers, in what appears to be an effort to

NEWS ANALYSIS

compensate them for a loss of security and perquisites, and retain their loyalty in the coming struggle with Solidarity.

But the choice of Mr. Rakowski, a veteran party propagandist and close associate of General Jaruzelski, by only 171 of 212 votes of the full Central Committee, showed the depth of the hard opposition to his initiatives within party ranks by those who feel his policies have eroded and endangered their positions.

In casting Mr. Rakowski in the role of party leader, General Jaruzelski was taking the calculated risk of a defection by old line leaders from heavy industry and the Communist bureaucracy.

Indeed, the election to the Politburo of two hard-line leaders representing heavy industry and the apparatus, Mieczyslaw Kalonin, and Janusz Kwasniewski from Warsaw, appeared to reflect Mr. Rakowski's conviction that it was better to have such comrades inside the stockade shooting out, than outside shooting in.

But in nodding toward Mr. Rakowski, whose role in crushing Solidarity in 1981 arouses particularly

strong emotions from the union-based opposition, the party was also signaling that it intended to set forth with renewed vigor the pursuit of political goals that are opposed to those of Solidarity.

In consultations with political leaders last week, General Jaruzelski appears to have let it be known that the rules of the game militate even further against a Solidarity-led government. In a startling admission that Moscow, and not Warsaw, still ultimately calls the shots, the president told Solidarity it could not form a government because Warsaw's neighbors, including the Russians, would view this "askance."

Some believe the sides are bound to collide on this.

Mr. Rakowski expressed the view last week that much skepticism among Western leaders toward events in Poland is rooted in a fear that the fragile understanding between Solidarity and the Communists could come unstuck.

"They are not sure," he said, "that some uncontrolled reflex is not going to damage the delicate fabric of agreement we have woven together with the opposition."

The implications of that statement are considerable, for it implies that the Communists view the understanding between the sides as a kind of alliance with Solidarity to govern the country.

But in Gdansk on Sunday, the Solidarity leader, Lech Walesa, reiterated the opposition's refusal to enter such an alliance. "All or nothing," Mr. Walesa said.

Poles Face 2-Fold Rise In Prices of Most Foods

By A.D. Horne
Washington Post Service

WARSAW — The Polish government, after weeks of controversy and mounting public concern, announced Sunday that it would end price controls on almost all food on Tuesday. Most prices are expected to double, and officials are braced for public protests.

The decision was made by the outgoing cabinet of Prime Minister Mieczyslaw Rakowski, who was elected Saturday to head the Polish Communist Party. It was linked to a range of modest wage and pension bonuses designed to cushion the impact of the higher food prices for most of the 38 million Poles.

The Rakowski government delayed its decision until the last possible moment, and then issued it on a Sunday, when Poland has no newspapers. Television newscasts directed viewers to read Monday's newspapers to learn the details from the official announcements.

The government's decontrol of food prices is a necessary step for the poor: low-fat milk, baby formula, rye bread and cottage cheese. It also includes some new tax incentives to encourage increased food production.

On at least three occasions in postwar Communist Poland, food price increases of this magnitude have resulted in riots and strikes that brought down party leaders. In this case, however, public anger has already been vented during a one-month wage and price freeze in July, which has emptied store shelves of rationed meat and other staples. The freeze will end Tuesday, so consumers are braced for the price increases.

Strikes may break out nonetheless. Despite the July freeze, transport workers staged several wildcat strikes and won large pay increases, and a strike at Poland's second largest shipyard, in the Baltic port of Gdynia, was suspended until Tuesday, when the freeze ends.

Meanwhile, the new parliament seated this month is still debating details of a system of indexing salaries to offset inflation, as agreed in the roundtable pact between the government and Solidarity.

For months, government and opposition economists have agreed that decontrolling prices was necessary as part of a broad restructuring of the Polish economy.

But there have been public arguments over how free-market pricing should be put into effect. The Communist Party's chief economic policy official, Wladyslaw Baka, resigned Friday after party officials rejected his appeal that the decontrolling of food prices be delayed for at least a month to allow for more careful preparation.

On Thursday, eight Solidarity economists, in a scathing attack on the Rakowski government's economic record, warned that "careful preparation" including the abolition of monopolies and the stockpiling of reserves should precede the imposition of market rules on the food industry.

But farmers and agriculture officials have urged the decontrolling of food prices at once, to allow prices and production to rise.

The Finance Ministry has estimated a 185-percent increase in official meat prices. But meat has almost vanished from state stores, where it was sold at about one-fourth the free market price.

BUSH: Flexibility Opens Up Policy-Making to Aides

(Continued from page 1)

had longtime friendships, such as Mr. Brady and Secretary of State James A. Baker 3d, as well as a "few brainy newcomers to his circle," such as the budget director, Richard G. Darman, and the White House chief of staff, John H. Sununu.

As such major issues as clean-air legislation, trade policy and arms control have come to him, Mr. Bush has been inclined to dissect each problem "in facts, facts, facts," says one aide — rather than to preside over debates on ideology and philosophy, according to those who have worked with him.

"He's not interested in a lot of airy stuff," Mr. Brady said. "That to me does not mean he does not have a philosophy and convictions. He's got those. He just doesn't want a lot of guff about — you know, highfalutin theories. He likes to make decisions on things that are factual."

While Mr. Bush has enjoyed high public approval ratings and no major policy disasters in his first six months, many in his administration caution that his open-ended method of operating remains untested by serious, sustained crisis, when his approach might come under more strain.

Details of the evolving process come from a half-dozen cabinet members and a score of White House and administration officials, some of whom also served Presidents Ronald Reagan, Gerald R. Ford and Richard Nixon. With few exceptions, these officials said that Mr. Bush has created a system in his own image, one that often steers toward a middle course and seems to offer many different players just as many different ways to make their mark.

In the early days of the Reagan presidency, the White House — in particular, Budget Director David Stockman — all but dominated domestic policy. In that period, many cabinet members took marching orders directly from mid-level White House and budget aides.

Mr. Bush begins his presidency in relatively placid times, without

the crisis atmosphere in which the Reagan "revolution" was launched, and the climate for policy-making is far different. Strong personalities tend to dominate the scene, and he is not always captive to the White House.

Mr. Bush acknowledged Friday that a major decision by Commerce Secretary Robert A. Mosbacher to allow computer sales to the East bloc had not been reviewed by him until after it was made and announced. The decision lifted Reagan-era restrictions on mid-level computer sales, but Mr. Bush said he did not examine the matter until Defense Secretary Dick Cheney voiced objections after it was announced.

In another example, William K. Reilly, the Environmental Protection Agency administrator, surprised many senior White House officials when he recently announced that the agency had decided to ban virtually all uses of asbestos by 1997. The Reagan administration had delayed action on asbestos for years. Only after Mr. Reilly's announcement did White House officials discover that he had, in fact, advised them in his weekly report and that the decision culminated a long regulatory process. "There was more of a process than we realized," a senior official said.

In fact, as often as not, it is the White House that is playing catch-up to the other powerful figures in the Bush firmament. Mr. Mosbacher, one of the cadre of longtime Bush friends in the cabinet, described the president as the kind of executive who follows the formal system but who also realizes "you can run into somebody at the water cooler" and it can influence his decision. "You can't be Bush down to one single process," Mr. Mosbacher said. "That's part of the genius of this. He also goes outside. He may call someone in Ohio about free trade, steel, whatever it may be."

"He does not want to be handled, isolated, cut off from people that can help him make a decision," Mr. Baker said. "Sometimes the results are a busted signal, but

that's pretty rare. Overall you end up with pretty well-informed decisions."

Another feature of Mr. Bush's decision-making so far has been his overwhelming interest in foreign affairs. Many of the big domestic policy items have bubbled up from the departments and agencies, but Mr. Bush has sought to put a personal imprimatur on international relations.

For example, after a four-month strategic review by agency officials disappointed him by failing to come up with new ideas for dealing with the Soviet Union, Mr. Bush and a few top advisers conceived the proposal for deep reductions in conventional forces in Europe.

Even so, a source who was part of that process said, the closed-door deliberations over the idea still followed the basic Bush pattern of trying to make sure everyone was on board. Mr. Bush insisted that the proposal be thoroughly vetted by the military before he made it public, the source said.

SOVIET: Yeltsin Challenge

(Continued from page 1)

1918, hopes to unite workers with intellectuals to press for more rapid dismantling of central economic and political controls.

In addition to intellectuals from Moscow and Leningrad, the meeting drew a large contingent of members from coal-mining regions, who said the recent strike in the coalfields had demonstrated that workers were impatient for more drastic change.

The bloc, whose leaders shy away from the word "opposition," is driven by a conviction that President Gorbachev needs a fearless pressure group to goad him to more far-reaching measures.

The gathering got a cold shoulder from the Kremlin. Organizers said they were denied a Kremlin auditorium or access to Supreme Soviet printing facilities.

NUCLEAR: More Evacuees

(Continued from page 1)

tures would have to be taken to relocate entire villages around the nuclear site to reduce the radiation risk to inhabitants.

The report did not deal with the questions of whether serious contamination already may have been suffered by these residents in the three years since the accident, and why the additional evacuations would be scheduled across a five-year span.

According to Tass, the Byelorussian parliament received a preliminary draft saying that 11,600 people must be moved, but that conclusion, on the basis of lighter standards of background radiation applied by local specialists, that the relocation of "more than 100,000" residents was advisable.

The explosion and fire at the nuclear plant on April 26, 1986, altered the world as 31 persons died, more than 200 others suffered radiation sickness and swarms of land, crops and animals were exposed to dangerous contamination in the Soviet Union and other countries in western and northern Europe.

In the aftermath, more than 115,000 people fled or were relocated from the immediate area of the Ukraine, within 30 kilometers of the plant, and from adjacent areas of Byelorussia that also were contaminated by a rain of radioactive material.

Last year, a team of U.S. experts concluded that the health risk to the world beyond the immediate vicinity would remain far too small to be detected statistically and was less alarming than some original estimates.

There was no immediate reaction reported from the Kremlin to the new Byelorussian estimate. Villagers there have been complaining for months that the true extent of the danger was being minimized by the national government and that the most severely affected regions were subject to only skimpy scientific monitoring.

BUREAUCRATS: In Charge

(Continued from page 1)

versity Japan. "The politicians won't have the time to worry about making policy," they were concerned mostly with saving their own skins.

In some respects, the prospect of rule-by-bureaucracy is a comforting one. The country's highly trained civil servants represent the cream of society. But while some bureaucrats may be rubbing their hands in anticipation of additional power, others call the situation worrisome.

"Outsiders say Japan can do without political leadership as long as we have our bureaucracy, and the bureaucrats nod piously," said Yukio Okamoto, a senior civil servant in the Foreign Ministry. "And to take care of going from today to tomorrow — yes, tomorrow will come. But if we look further into the future, the lack of leadership will hurt."

Mr. Okamoto, whose candor is unusual for a Japanese bureaucrat, noted that his country was being pressed from abroad to take fundamental steps toward a more open economy.

"Bureaucratic decisions on small issues can carry the national agenda," he said. "But when we need drastic change to adapt to a new reality, there has to be political leadership."

For much of the postwar period, the bureaucracy played a key role in implementing the single goal: to generate economic growth and catch up with the industrialized West.

The Ministry of International Trade and Industry, in particular, protected and directed corporate Japan during the 1950s and 1960s.

JAPAN: Shift to the Left?

(Continued from page 1)

seen as having leverage if they can keep the opposition united behind them in the upper house. By blocking legislation, for example, they might be able to force concessions from the Liberal Democrats.

Despite this, business leaders said they were not worried that the Socialists would try to nationalize industry, although many said they believed that some members of the party would like to do just that.

"Half of the party, we can talk to," said an official of Keidanren, the most influential big-business association. "But the other half are left-wing ideologues, and we can't talk to them."

The Japan Socialist Party was founded by radicals in 1906, then went through a period of infighting and divisions and was moribund in the 1930s. The party was revived after World War II.

In recent weeks, Miss Doi and the Socialists have made business groups somewhat nervous by saying that they might seek to replace the 3-percent sales tax on goods and services with more taxes on the wealthy, including a property or stock transfer tax.

She sent shivers through the Foreign Ministry after the election by reiterating her belief that Japan must adhere to its policy of barring any "introduction" of nuclear weapons to Japanese territory.

Although this has been a pillar of Japanese policy for years, it has long been widely believed — and officials do little to persuade people otherwise — that nuclear weapons are aboard U.S. warships at naval bases in Japan.

Foreign Ministry officials expressed apprehension that Miss Doi could raise the nuclear issue from the party's new position of prominence, possibly aggravating relations with the United States.

But politicians agree that even if the Socialists triumphed later this year or next in elections to the more powerful lower house, they would almost certainly have to form a coalition with centrist parties.

U.S. officials said that they were willing to take Miss Doi's assurances on foreign policy at face value. Among those who said that the United States should not be worried about the friendship of Japan under her was Mike Mansfield, who retired this year after 11 years as ambassador to Japan.

"She has indicated there would be a continuity in policy," Mr. Mansfield said.

2 Greek Prelates Freed After Arrest in Cyprus

(Continued from page 1)

NICOSIA — A Greek Orthodox bishop and priest were freed Sunday after being held for 11 days by Turkish-Cypriot authorities following a protest in the UN-patrolled buffer zone of the divided island.

The two were the last released of 108 Greek-Cypriot demonstrators arrested for crossing into the Turkish sector during a July 19 protest that marked the anniversary of the 1974 Turkish invasion of the island.

The Associated Press

Herald Tribune

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Chicago Exchange Options

Figures as of close of trading Friday, July 28

Option & price	Call	Put	Option & price	Call	Put	Option & price	Call	Put
Aug 28	1.15	1.15	Aug 28	1.15	1.15	Aug 28	1.15	1.15
Aug 29	1.15	1.15	Aug 29	1.15	1.15	Aug 29	1.15	1.15
Aug 30	1.15	1.15	Aug 30	1.15	1.15	Aug 30	1.15	1.15
Aug 31	1.15	1.15	Aug 31	1.15	1.15	Aug 31	1.15	1.15
Sept 1	1.15	1.15	Sept 1	1.15	1.15	Sept 1	1.15	1.15
Sept 2	1.15	1.15	Sept 2	1.15	1.15	Sept 2	1.15	1.15
Sept 3	1.15	1.15	Sept 3	1.15	1.15	Sept 3	1.15	1.15
Sept 4	1.15	1.15	Sept 4	1.15	1.15	Sept 4	1.15	1.15
Sept 5	1.15	1.15	Sept 5	1.15	1.15	Sept 5	1.15	1.15
Sept 6	1.15	1.15	Sept 6	1.15	1.15	Sept 6	1.15	1.15
Sept 7	1.15	1.15	Sept 7	1.15	1.15	Sept 7	1.15	1.15
Sept 8	1.15	1.15	Sept 8	1.15	1.15	Sept 8	1.15	1.15
Sept 9	1.15	1.15	Sept 9	1.15	1.15	Sept 9	1.15	1.15
Sept 10	1.15	1.15	Sept 10	1.15	1.15	Sept 10	1.15	1.15
Sept 11	1.15	1.15	Sept 11	1.15	1.15	Sept 11	1.15	1.15
Sept 12	1.15	1.15	Sept 12	1.15	1.15	Sept 12	1.15	1.15</

New International Bond Issues

Compiled by G. Jennifer Shapiro

July 28

Issuer	Amount (millions)	Mat.	Coups. %	Price	Price and week	Terms
ROATING RATE NOTES						
Bank of Scotland	\$300	Perp.	0.40	100	—	Initially over the 3-month Libor. Alternative will be 1 point over Libor in years 1 to 10 and 1% points over Libor thereafter. Denominations \$10,000. Fees undetermined. (Merrill Lynch Int'l)
Belgium	DM 300	1999	1/8	100%	—	Under the 6-month Libor. Semiannual. Callable at par in 1994. Denominations 10,000 Deutsche Mark. Fees 0.15%. (Morgan Stanley)
FIXED-COUPONS						
Banque Paribas du Commerce Extérieur	\$175	1994	8%	101 1/2	100.10	Noncallable. Fees 15%. (Nomura Int'l)
Eschbacher de Portugal	DM 100	1996	7%	102	101.30	Noncallable. Fees 24%. (Bank of Tokyo)
Mutuelle Funding Inc.	\$120	1992	11%	101 3/4	99.875	Noncallable. Fees 15%. (Credit Suisse First Boston)
Student Loan Marketing Association	\$100	1994	11	101 3/4	99.85	Noncallable. Fees 15%. (General Mortgage & Co.)
TOTAL — Compagnie Française des Pétroles	FF 500	1993	8%	101 1/2	99.80	Noncallable. Fees 15%. Denominations 10,000 French francs. (Credit Lyonnais)
Deutsche Bank Finance (Caracas)	FF 500	1996	8%	101 1/2	100.17	Noncallable. Fees 15%. Denominations 10,000 French francs. (Banque Nationale de Paris)
Deutsche Girozentrale Deut. Kommunalbank	FF 500	1996	8%	101 1/2	99.90	Noncallable. Fees 15%. Denominations 10,000 French francs. (Credit Lyonnais)
Morgan Guaranty Trust (London)	m. 100,000	1994	12%	101 1/2	100.47	Noncallable. Fees 15%. Denominations 5 million. (Banque d'Italie)
Commonwealth Bank of Australia	ECU 100	1994	8%	101 1/2	99.725	Noncallable. Fees 15%. (Credit Suisse First Boston)
Eurofimo	ECU 125	1999	8%	101 1/2	99.90	Noncallable. Fees 2%. (Bankers Trust Int'l)
Abbey National Treasury Services	CS 150	1994	10%	101 1/2	101.62	Noncallable. Fees 15%. (Merrill Lynch Int'l)
Esportfinans A/S	CS 150	1994	10%	101 1/2	99.875	Noncallable. Fees 15%. (B.I. Int'l)
Toronto-Dominion Bank (Cayman Islands)	CS 100	1992	10%	101 3/4	99.925	Noncallable. Fees 15%. (JBS-Phillips & Drew)
Dresdner Bank Berlin AG	Aus 40	1993	15	102	101.50	Noncallable. Fees 15%. (Dresdner Bank Luxembourg)
Fujitara International Management	¥ 10,000	1995	6	101 1/2	—	Noncallable. Fees 15%. (Nomura Int'l)
Sapporo Finance Int'l	¥ 10,000	1995	6	101 1/2	—	Noncallable. Redemption in U.S. dollars at a fixed rate of 135.00 yen per U.S. dollar. Fees 15%. Denominations 100 million. (Nomura Int'l)
EQUITY-LINKED						
Daiichi Chemical Industries & Co.	\$300	1993	open	100	106.00	Coupon indicated at 44%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Terms to be set Aug. 1st. Fees 24%. (Nomura Int'l)
Daiichi Paper Co.	\$150	1993	open	100	104.50	Coupon indicated at 44%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Terms to be set Aug. 3rd. Fees 24%. (Nomura Int'l)
JDC Corp.	\$100	1993	open	100	107.00	Coupon indicated at 46%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Terms to be set Aug. 7th. Fees 24%. (Nikko Securities Co. Europe)
Joshin Denka Co.	\$100	1993	open	100	106.00	Coupon indicated at 46%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Terms to be set Aug. 2nd. Fees 24%. (Nomura Int'l)
Kabata	\$300	1993	open	100	106.00	Coupon indicated at 46%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Terms to be set Aug. 2nd. Fees 24%. (Nomura Int'l)
Nippon Stainless Steel Co.	\$100	1993	open	100	106.00	Coupon indicated at 46%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Terms to be set Aug. 2nd. Fees 24%. (Nomura Int'l)
Parco Co.	\$120	1993	3%	100	—	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at 25% per share. Fees 24%. (Daiwa Europe)
Sankyo Aluminium Industry	\$150	1993	open	100	107.00	Coupon indicated at 46%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Terms to be set Aug. 2nd. Fees 24%. (Nikko Securities Co. Europe)
Tsumura & Co.	\$100	1993	open	100	105.00	Coupon indicated at 46%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Terms to be set Aug. 2nd. Fees 24%. (Nikko Securities Co. Europe)
Daiichi Paper Co.	DM 100	1994	open	100	101.00	Coupon indicated at 15%. Noncallable. Each 5,000-mark note carries two warrants exercisable into company's shares at an expected 25% premium. Fees 24%. Terms to be set Aug. 3rd. (Deutsche Bank AG)
Tsumura & Co.	DM 100	1994	open	100	98.70	Coupon indicated at 15%. Noncallable. Each 5,000-mark note carries two warrants exercisable into company's shares at an expected 25% premium. Fees 24%. Terms to be set Aug. 3rd. (Deutsche Bank AG)

Bonds Soar as Fed Moves to Ease Interest Rates

Compiled by Our Staff From Dispatches

NEW YORK—Bond prices rallied last week as the Federal Reserve Board loosened its grip on the supply of credit and a second major bank lowered its prime lending rate to 10.5 percent.

The yield on the bellwether 30-year Treasury bond fell below 8 percent, closing at 7.99 percent. The price of the issue, the 8% of 2019, rose nearly 2 points, to 109 31/32 from 108 the previous week.

When the yield was 8.15 percent, the 10-year note fell to 7.85 percent from 8.05 percent.

Other interest rates also slid as investors in Treasury issues cast aside their usual pre-weekend caution.

U.S. CREDIT MARKETS

On Friday and bought eagerly, particularly the longer-term maturities, dealers said.

What prompted the buying was a

desire to lock in current yields before the Federal Reserve acts aggressively to lower them further.

In another move toward lower interest rates, the Bank of America cut its prime lending rate to 10.5 percent, effective on Monday, from 11 percent.

Bank of America thus joined Chase Manhattan and a few other major banks that reduced their prime rate to 10.5 percent more than three weeks ago.

"While the fixed-income market does not expect any overt action by the Fed to cut interest rates until the July employment statistics are released next Friday, the clear fact is that the Fed has been easing," said William V. Sullivan Jr., senior vice president at Dean Witter Reynolds Inc.

Indeed, the federal funds rate fell to 8.938 percent from 9.125 percent the previous week. Fed funds, changed on overnight interbank loans is considered the base rate in the taxable U.S. credit markets. The Federal Reserve influences this rate through open-market sales or purchases of Treasury securities.

The bond market rally came on news that was gloomy for the rest of the economy. Fixed-income securities rise on signs of economic weakness because it reduces the demand for credit as well as inflationary pressures, thus preventing interest rates from rising and eroding the value of outstanding debt issues.

For example, the government reported on Friday that personal consumption edged down in June for the second straight month while personal income rose three-tenths of 1 percent. Because consumer spending accounts for about two-thirds of the gross national product, the number was viewed as a sign the economy was weakening.

On Thursday, the government reported that the gross national product in the second quarter rose at an annual rate of only 1.7 percent, less than half the growth in the first three months of 1989.

Analysts said the bond rally could continue if inflation fears continue to abate and the Fed shows signs of further easing.

"The rally has substantially furthered to go," said Philip Braverman, chief economist at Irving Securities in New York. "Bond yields should drop to 7 percent to 7.5 percent by year-end," Mr. Braverman said. "The economy is deteriorating to the brink of recession. Inflation fears will recede."

"And the Fed will ease further, perhaps at a quickening pace, with an 8.5 percent funds rate probable before summer ends," he said.

Economists are adjusting their views to the newly aggressive Fed. Some said the central bank could ease credit again if U.S. employment data for July are considerably weaker than had been forecast.

The report is due out Friday. The central bank, analysts said, has switched from a body of slow-moving gradualists to a group that will respond to broad trends in economic indicators.

"I think they've realized the economy has slowed much more quickly than they or anyone else had realized," said Allan Leslie, vice president at Discount Corp. of New York.

Nancy Vanden Houten, money market economist at Merrill Lynch

Government Securities Inc., noted the Fed's last two easing moves have come before major economic data, the Consumer Price Index and the jobs report.

"They may want to be viewed as having a broad plan to bring the funds rate and not as alarmists reacting to any particular number," she said.

Economists said the Fed may have opted for a two-step easing at its last Federal Open Market Committee meeting and may opt for the same sort of easing at its Aug. 22 session. The FOMC, which sets the system's policy, comprises the seven Fed governors and presidents of five of the 12 Federal Reserve banks.

A cut in the 7 percent discount rate, which the Fed charges on loans it makes to banks, is not being discussed yet, economists said. They said the rate probably would not be moved until the central bank chose to make a dramatic statement of policy, something not expected soon.

"The discount rate is not a fundamental rate, as the funds rate is," said Mr. Leslie of Discount Corp. "It's more a symbol, and it is being used as a signal of policy."

On Tuesday, the U.S. government is to report on construction spending, expected to show a 0.3 percent June fall after a rise of 1.3 percent the previous month. June factory orders are to follow on Wednesday, expected to show a rise of 0.4 percent after dropping 2.5 percent in May. June leading indicators are scheduled to be released on Thursday, and they are expected to have fallen 0.2 percent, following a 1.2 percent plummet in May.

The July jobs report due Friday is expected to show nonfarm payroll rising by 175,000 and an unchanged jobless rate of 5.3 percent. June nonfarm payroll rose 180,000.

(Reuters, NYT, UPI)

Argentina Seeks Creditor Flexibility

Compiled by Our Staff From Dispatches

BUENOS AIRES—Argentina will resume payments to creditors of its \$60 billion foreign debt, but will first ask for time to wrestle with hyperinflation, President Carlos Menem's special adviser for the external debt said Sunday.

Though imprudently incurred, the rightist congressman Alvaro Alsogaray said, the debt nevertheless constitutes "a debt of honor for the nation."

He said Argentina would ask only for time to generate resources and for flexibility on the part of creditors. He did not specify when full payments would resume.

Mr. Alsogaray, who for over four decades was a fierce critic of Mr. Menem's Peronist Party, acknowledged that Argentina has been virtually cut off from funds after it stopped servicing its debt 15 months ago.

Since then it has piled up over \$3.5 billion in interest payments. Argentine officials, however, have said that the country paid \$40 million to international leading agencies in July and \$75 million to the International Monetary Fund in May.

Mr. Alsogaray said Argentina's debt would amount to \$64 billion by the end of 1989, up from \$44 billion in 1983.

"Our image abroad could not be worse," he added. "We're no longer credible. All of this must be redressed."

Mr. Menem, who took office on July 8 amid Argentina's worst economic crisis, surprised supporters by appointing a party outsider like Mr. Alsogaray.

The new president has imposed sweeping measures to quash inflation that ran at the rate of 200 percent per month. He announced plans to sell off state-owned companies and slash public spending.

Mr. Alsogaray said Argentines should not expect foreign loans and investments from abroad if they did not show confidence by investing in their own country.

An advocate of a market-oriented economy, he urged Argentines to pull their savings "from under the mattress."

Hyperinflation and political turmoil that made the currency lose over 97 percent of its value against the dollar since February has fueled capital flight and led Argentines to seek refuge in hard currencies.

Both the IMF and the World Bank, which praised Mr. Menem's vows to correct the economy, have sent technical missions to Buenos Aires.

Meanwhile, in Cartagena, Colombia, Foreign Minister Domingo Carralero of Argentina said his country would need a larger cut in its foreign debt than Mexico received.

Mexico's creditor banks agreed on July 23 to a 35 percent cut in the \$54 billion it owes foreign commercial banks. Mexico's foreign debt totals \$102 billion.

The agreement marked the first time international banks had accepted debt reduction as an integral element of rescheduling negotiations.

Mr. Carralero was attending a meeting of foreign ministers from the Group of Eight debtor countries. (Reuters, AFP)

Brazil Official Sees Possible 'Coffee War'

Agence France-Press

CARTAGENA, Colombia—Brazil and Colombia are ready to withhold coffee from the United States unless importers are willing to pay realistic prices, Foreign Minister Roberto de Abreu Sodré of Brazil indicated here Sunday.

He was attending a meeting of foreign ministers of Latin American creditor nations.

Coffee prices have plunged since the expiration in early July of the international agreement on prices and exports among producing and consuming nations.

"If the United States wants a coffee price war, then we are ready to go to war," Mr. Sodré said, adding that Brazil and Colombia also would defend the interests of the poorer producing nations.

Both Brazil and Colombia held sufficient stocks of quality coffee, he said, but they would not accept unacceptably low prices imposed by consuming nations.

The bank predicted that interest rates would begin falling later this year, accompanied by a drop in the Australian dollar and a sharp decline in imports, which had soared 50 percent in the past two years.

"The fall in interest rates should become more evident through 1990," ANZ said. "By the end of 1990, short-term rates are expected to be around five percentage points lower than currently, but still high relative to inflation."

The bank said the Australian dollar faces a large drop next year as the twin appeal to foreign investors of high interest rates and high commodity prices fades away.

It also warned that more expensive imported goods would push inflation from an estimated 6.6 percent this year to 7.3 percent in 1990.

Euromarts At a Glance

Eurobond Yields

U.S. \$ 5 yrs & over	7.28	7.19
U.S. \$ 10 yrs & over	8.00	7.96
U.S. \$ 15 yrs & over	8.75	8.78
Foreign Sterling, less than 5 yrs	11.88	11.75
Foreign Francs, less than 5 yrs	1.89	1.91
Yen, less than 5 yrs	11.88	11.61
Foreign Swiss, less than 5 yrs	7.48	7.43
ECU, 5 yrs & over	8.47	8.49
ECU, 10 yrs & over	9.47	9.52
Com. & less than 5 yrs	10.34	10.34
Am. & less than 5 yrs	14.57	14.64
M. & less than 5 yrs	12.74	12.78
Yen, 5 yrs & over	5.49	5.49
Yen, less than 5 yrs	5.36	5.36

Source: Euromarkets Stock Exchange

Weekly Sales

Category	1989	1988
Electronics	107.20	105.20
Computers	25.50	25.50
Books	8.00	8.00
CDs	100.70	100.70
Total	200.30	199.40

Source: Euromarkets Stock Exchange

LIBERIA: Largest Mining Company to Close Soon

(Continued from first finance page)

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Treasury Bonds

				July 26
				Wt. ave.
Maturity	Class	Ask	Yield	yield
31.07.91	100 1002	103 1/2	7.56	7.89
15.05.92	100 1002	103 1/2	7.60	7.90
30.03.93	100 1002	101 1/2	7.56	7.89
15.08.94	100 1002	104 1/2	7.61	7.94
15.07.96	100 1002	104 1/2	7.71	7.94
15.05.99	100 1002	104 1/2	7.81	7.94
15.02.06	112 1002	112 1/2	8.02	8.21
15.02.19	100 1002	110	7.99	8.21

OTC Consolidated trading for week ended Friday, July 28

(Continued on next page)

WORLD STOCKS IN REVIEW / Via Agence France-Presse

Amsterdam

Stocks rose in quiet trading last week. The CSE index edged up to 199.3 points from 197.7 the previous Friday. It hit an all-time high of 200.4 on Thursday, boosted by U.S. data showing slowing economic growth.

Volume fell to 7 billion guilders from 7.6 billion guilders the previous week. Equity trading totaled 3.6 billion guilders, unchanged from the previous week.

Financial and food stocks generally outperformed the market.

The Kempen & Co. brokerage forecast that Dutch stocks would be relatively strong this week.

Frankfurt

The market was generally higher last week. The Commerzbank index closed at 1,912 points, up from 1,906.7 the previous Friday.

The DAX indicator slipped 2.13 points on the week to finish at 1,533.27, although dealers said the market was generally higher, forecasting that it would post further rises this week amid strong demand from foreign investors.

Hong Kong

Trading was quiet last week, despite renewed buying interest towards the weekend.

The Hang Seng Index gained 37.21 points, to finish the week at 2,526.75, and the broader-based Hong Kong Index advanced 19.64 points, to 1,666.53.

Average daily turnover shrank to 750 million Hong Kong dollars from 900 million dollars the previous week.

Investors seem to have slowly recovered from the jitters triggered by the political turmoil in China, which is scheduled to resume sovereignty over Hong Kong in 1997.

Some dealers were optimistic about buying support, but others warned that the market would encounter strong resistance if the Hang Seng drew close to 2,600.

Bank to Lower Daimler Stake Report Says

Reuters

BONN — Deutsche Bank AG would give up 5 percent of Daimler-Benz AG to the French defense group Matra to facilitate a move by Daimler into the aerospace group Messerschmitt-Bölkow-Blohm GmbH, Der Spiegel reported.

An Economics Ministry spokesman said Sunday that the report was speculation, and no decision had yet been reached on whether to allow Daimler to buy a stake of slightly more than half of MBB. A Deutsche Bank source said there was nothing to the story.

In a summary of its article to be published Monday, the magazine said the government also would ask MBB to give up its 12.5 percent stake in Krauss-Maffei AG, which makes armored vehicles.

Der Spiegel said West Germany's largest commercial bank was prepared to lower its stake in Daimler to 23.1 percent. Such a move would mute criticism over the power of the bank in a Daimler-MBB deal.

The economics minister, Helmut Haussmann, who can overrule the cartel office, has said that he may impose conditions on any Daimler move into MBB.

YUPPIE: Soviet Shows the Way

(Continued from first finance page)

under a system that allows them to keep a larger share of their profits in return for paying more of their operating and investment costs.

In addition, companies are being allowed to keep and spend a certain share, usually 40 percent, of the foreign currency they earn.

As a result, the profit motive is starting to become a motivation for the managers of Soviet enterprises, and it has increased their interest in Western management methods.

For example, Vnesheconbank recently completed a feasibility study for the Soviet government, assessing the costs, risks and cash flow for a planned petrochemical complex in Siberia.

"It's become more popular to use these tools in domestic companies," Mr. Rubtsov said, "and that is important for the Soviet economy."

Still, he acknowledges that the task ahead is formidable. For example, he recalls that it took nearly three days to explain the concept of projected profit margins to the Soviet staff involved in a Finnish-Soviet furniture-making venture.

The education process works both ways, he notes, since overseas companies often need help in trying to fathom Soviet bureaucracy.

"Most foreign companies need the help of Soviet insiders, especially in an economy where sometimes money does not work," Mr. Rubtsov said. "You have to know the people responsible to get things done."

It is often said that the Soviet economy suffers from too little competition, with industries dominated by bloated state-owned monopolies. Yet the budding management-consulting field, according to Mr. Rubtsov, is an exception.

When Vnesheconbank opened for business in May 1988, he recalled, it had only two Soviet rivals. But today, he estimates that there are about 50 competitors. "In this segment of our economy, at least,

London

Shares ended at a post-collapse high last week despite a shaky start, with the market buoyed by British trade figures that confirmed analysts' forecasts and firm sentiment in New York.

The Financial Times 100-share index closed at 2,306.0, up 23.0 points from the previous week.

Fears of a worsening trade balance were allayed when the June current account deficit came in at £1.49 billion.

NatWest firmed after the group chairman, Lord Boardman, and three employees resigned in the wake of an official report on the involvement of the bank's securities arm, County NatWest, in the Blue Arrow rights issue.

Eurotunnel dropped sharply on reports that it had to extend its credit to finance cost overruns.

The week got off to a poor start, and the new Italian finance minister, Rino Formica, asked for an investigation into possible wrongdoing. The ministry cited a report that a sharp Monday decline was linked to the appointment of Mr. Formica, a Socialist.

Reuters reported, however, that the Milan prosecutor said he did not find evidence of wrongdoing, saying the slide was a technical reaction to recent gains.

Key shares recovered on Thursday and Friday. Insurances, banks and real estate stocks were generally higher. Montedison lost 1.8 percent and Fiat was stable.

Milan

Shares edged up last week. The MIP index closing at 1,144, up 4 points. The Comit indicator ended at 680.01 points, up from 677.08 a week earlier.

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Paris

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The announcement of a declining French trade deficit in June bolstered the market, while fears of inflation were calmed by the release of data showing a slowdown in economic growth and a small rise in household income in France last month.

Some brokers were still cautious, however, stressing that recent highs had been reached with low trading volumes because of the vacation season and a strike by some exchange personnel. They said prices could fall as easily as they rose.

The market rebounded slightly last week, despite bouts of profit-taking.

The Straits Times Industrial Index gained 8.23 points, finishing at 1,370.14. The SES all-share index gained 2.21 points, to 362.38.

Volume was 1.2 billion shares worth 1.9 billion Singapore dollars, up from the 701.83 million units worth 1.2 billion Singapore dollars traded a week earlier.

On Tuesday, the Straits Times index hit a post-collapse high of 1,371.37, but the rally was not sustained because of widespread profit-taking.

The week's most conspicuous performer was Nippon Telegraph & Telephone, which finished at 1.60 million yen, up from 1.46 million yen a week ago. NTT hit the 1.6 million yen level for the first time since March 23.

Analysts said the bullish market would continue next week with the Nikkei likely to hit the 35,000-point level.

Another broker said, however, that although the market was showing encouraging signs, political turmoil could be prolonged and could dampen market sentiment in the long-term.

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MONDAY SPORTS

Senna Wins in West Germany With a Swerve Around Prost

The Associated Press
HOCKENHEIM, West Germany — Ayrton Senna won the German Grand Prix on Sunday, roaring across the finish line ahead of his McLaren-Honda teammate, Alain Prost. The Brazilian pulled off a surprise victory by passing Prost with two laps to go.

Senna finished the race in one hour, 21 minutes, 43.302 seconds, 18.151 seconds ahead of Prost. (See Scoreboard)

Nigel Mansell of Great Britain finished third in his Ferrari, a lap behind.

Senna's victory helped close the gap between him and Prost in the world standings. Prost leads with 53 points, followed by Senna's 36.

Senna, the defending world champion, started out at the pole position. Gerhard Berger's Ferrari catapulted into the lead from the No. 4 spot moments after the green light.

But Senna and Prost quickly caught him before the first lap was over, leaving the Austrian in third and Mansell in fourth.

Berger, Mansell and Italy's Alessandro Nannini kept up the pressure on Senna and Prost in the early laps.

Nannini looked like he was about to challenge the leaders in the fifth lap, but his Benetton-Ford dropped out with electronics problems.

After 10 laps, Prost was closely tailing Senna, while Berger and Mansell were about six seconds behind the leaders, trailed by Italy's Emanuele Pirro in a Benetton-Ford.

Berger looked like he was set to remain a strong contender. But in the 13th lap, his Ferrari went out of control because of a tire defect and skidded off the track, barely avoiding a crash with Mansell.

Later in the race, Pirro's car also spun out of control and rammed through safety barriers. The Italian had to be taken out of his machine and loaded aboard an ambulance, but track officials said he was only suffering from shock and had no serious injuries.

Prost took the lead from Senna a little more than halfway through the race after both made lengthy pit stops for tire changes.

The Frenchman at one point held a four-second lead over Senna, but the Brazilian whittled down the gap between the two red-and-white McLarens and passed his teammate with two laps to go.

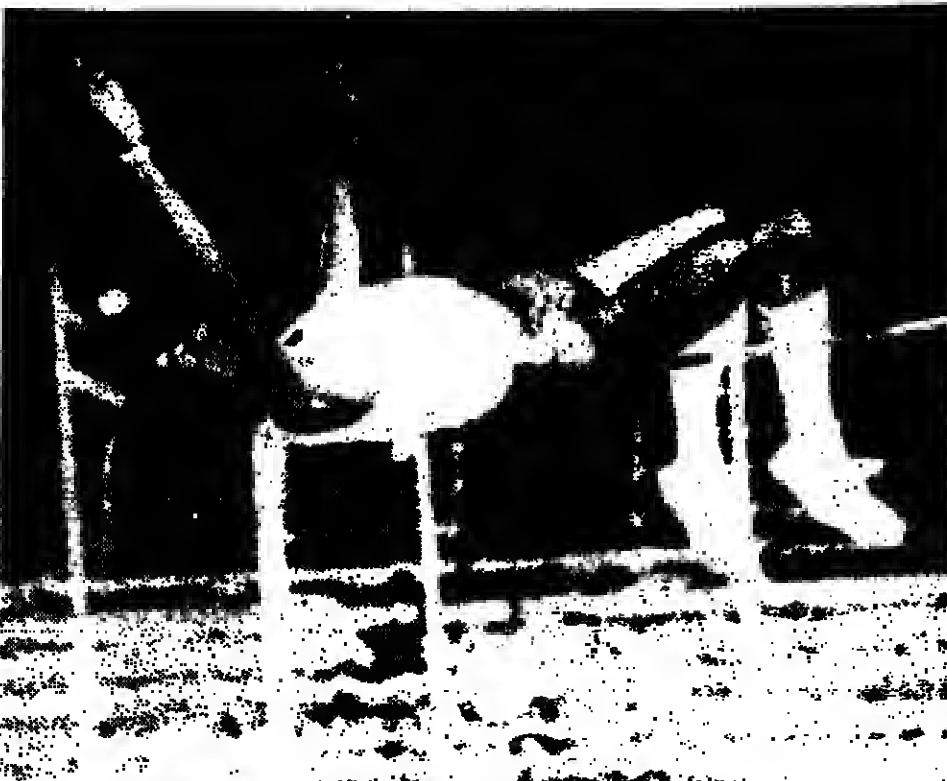
McLaren-Honda officials said after the race that Prost at that point had lost his top gear.

Senna went into Sunday's Hockenheim race hoping to shake off some bad luck. He led for the first 11 laps in the British Grand Prix two weeks ago but spun off the track on the 12th and was not able to continue. Prost went on to win that race, trailed by Mansell.

Senna had won three of this year's opening four races.

Prost, known as "The Professor" for his technical skills and calm resolve, has been victorious three times this season including back-to-back victories at the British and French Grand Prix races.

A High Jump Record: 8 Feet



Javier Sotomayor is over the beam in Puerto Rico Saturday at the Caribbean Championships.



Sotomayor of Cuba Tops His World Mark

The Associated Press
SAN JUAN, Puerto Rico — Javier Sotomayor of Cuba has become the first person to high jump 8 feet (2.44 meters), breaking his own world record at the Caribbean Championships.

"It is a fantastic feat because I am the first man in jumping eight feet," said Sotomayor, 21. "And that is fabulous."

Sotomayor set the previous record of 7 feet, 11 1/2 inches in 1988 in Salamanca, Spain. The previous outdoor world record of 7 feet, 11 inches was set by Patrick Sjöberg of Sweden in Stockholm on June 6, 1987.

Sotomayor also holds the indoor mark, at 7 feet, 11 1/2 inches.

He made the historic jump Saturday in his second attempt. In his first attempt, Sotomayor tried at 8 feet but he touched the beam with his left leg.

Sotomayor did not have a shot at a gold medal at the 1988 Summer Olympics in Seoul because Cuba boycotted the Games. The 6-foot-4 (1.93-meter) Cuban said he was not disappointed about not being able to compete in the Seoul Olympics and added that he was looking forward to 1992 Games in Barcelona.

Reaching the 8-foot barrier is a significant mark in track and field.

In the men's high jump, the record metrically is now 2.44, exactly 8 feet, but for Europeans, a more significant height would be 2.45, since Europeans recognize increases of five centimeters.

"Every time you go up five centimeters, it's important," said Jimmy Howard, the former American record holder. "When someone clears 2.50, it will be phenomenal."

SIDELINES

Olazabal Wins Dutch Golf Marathon

ZANDVOORT, Netherlands (AP) — Jose Maria Olazabal of Spain braved a nine-hole sudden death playoff in driving rain to win the 1989 Dutch Open Golf Championship.

Second in the \$498,000 tournament was Roman Rafferty of Ireland with Roger Chapman of England third.

After Sunday's fourth round, Olazabal, Rafferty and Chapman shared a three-under 277 and began their playoff on the 473 yard, par-4 16th hole at the Kemmer Golf and Country Club here.

Chapman saw his dream ended right there by a bogey, but for Olazabal and Rafferty the ordeal continued along the par-3 17th and par-4 18th. Both players scored five bogeys as the fight went on, but the third time around, Rafferty struck a three-over 7 on the 18th, with Olazabal needing only six.

Japanese Yacht Captures Cup Stage

COWES, England (Reuters) — Rangi Oda's 50-foot yacht will win the Admiral's Cup 200-mile English Channel race on Sunday to record Japan's first victory in the regatta.

Britain took the lead in the overall standings after two races, 24.5 points ahead of France, with the British yachts Jamarilla finishing third in the race and Indulgence eighth.

Will, whose crew sailed together for the first time 10 days before the start of the six-race series, led throughout. Denmark's Andiesbanken was second. Denmark raised their overall position from 10th to fourth, 29 points behind Britain.

Agassi Stops Lendl in Exhibition

TOKYO (AP) — Andre Agassi beat Ivan Lendl, 7-6 (8-6), 6-4, on Sunday in the final of the ANA Cup and picked up \$220,000, the richest winner's purse ever in a tournament in Japan.

Stefan Edberg defeated fellow Swede Mats Wilander, 6-4, 3-6, 7-6 (4), on an artificial court at Yokohama Arena and won the third prize. The exhibition was sponsored by ANA, All Nippon Airways, to mark the inauguration of its European routes.

Italy Moves Against Soccer Violence

ROME (AP) — Italy's soccer federation has approved a series of measures to combat hooliganism, making teams directly responsible for violence committed by their fans.

Under the package approved by the federation Saturday night, clubs can be punished for violence committed outside the stadiums as well as inside. In the most serious cases, a team can be suspended from playing on its home field for at least two matches. Those matches would be rescheduled at a neutral site, including an empty stadium if necessary.

To discourage violence, teams will be required to issue identity cards with photographs to all members of organized fan clubs. The fan clubs will be banned from using names, symbols or publications inciting violence. Teams can face fines ranging from 25 million lire (\$18,000) to 50 million lire (\$37,000) for failing to control the fan clubs.

Mets Chief Has Doubts on Hernandez

NEW YORK (AP) — Manager Davey Johnson says injuries to Keith Hernandez the last two seasons may signal the end of the first baseman's career with the New York Mets.

Hernandez, 35, missed two months last season with a pulled hamstring and broke his kneecap in May this year, forcing him out of the lineup for another two months. When Hernandez returned, he bruised his knee sliding at home plate and has missed 10 days.

"As much as you hate to think about life without Keith, this is the second year he's been injured and we're paying him a lot of money," Johnson was quoted as saying in Sunday's editions of the New York Daily News. "It doesn't take a mental giant to see we've got two first basemen right now, and that we're crowded in the infield," Johnson said. The other first baseman is Dave Magadan.

For the Record

The sprinter Ben Johnson, born in Jamaica, says he would like to compete for Jamaica after the conclusion of his two-year ban from the Olympics for using steroids while on the Canadian Olympic team. The Jamaica Record newspaper reported Saturday. However, Teddy McCook, president of the Jamaica Athletic Association, has said that no athlete found guilty of using banned substances will be allowed to compete in Jamaican colors. (Reuters)

Ireland's Sean Kelly took the lead in the World Cup cycling standings on Sunday after finishing third in the Wincanton Classic at Newmarket, Suffolk, England. Dutchman Frans Maassen won the race in five hours, 59 minutes, 21 seconds, two seconds ahead of Maurizio Fondriest of Italy in the 236-kilometer (147-mile) race, the sixth round of the cup series. Kelly was third. (Reuters)

Arsenal warmed up for the defense of its English league soccer title Sunday by winning a four-team international exhibition tournament in London with a 1-0 victory over domestic rival Liverpool. The Soviet Union defeated Portugal, 1-0, in the other match. (AP)

Jim Valvano, basketball coach at North Carolina State University, is not contemplating a lawsuit against the author or publisher of "Personals Fools," a book containing allegations of corruption in the Wolfpack program, Valvano's attorney, Art Kaminsky, says. The book was dropped by Simon & Schuster but was later printed by Carroll & Graf. (AP)

New Zealander Bob Charles won the British Open Senior golf tournament Sunday at Turnberry, Scotland, with an 11-under-par 269. (AP)

A Wealth of Quarterbacks

Walsh Signs With Cowboys to Vie for Starting Position

The Associated Press
THOUSAND OAKS, California — Steve Walsh has signed a four-year, \$4.1 million contract with the Dallas Cowboys and joined another millionaire, Troy Aikman, in a battle for the starting quarterback job.

"I believe now the Cowboys really want me to compete for the job," said Walsh, who lost but once in two years starting for the University of Miami Hurricanes.

"I want to do whatever it takes to help this team and this organization. I want to start if I can."

He could be traded to any National Football League team this year but can opt to stay with the Cowboys for the next season.

Walsh, who received a \$300,000 bonus to sign, was passed over by Atlanta in the supplemental draft. The Cowboys jumped at a chance to take him, although they had paid Aikman \$11 million.



Steve Walsh

"I'll give it my best shot and I have confidence in the coach's decision," said Walsh, who played for the Cowboys' coach, Jimmy Johnson, when both were at Miami.

"I'm not worried about a trade. I played under Coach Johnson and I know he wants the best guy to do the job."

Johnson reiterated on Saturday that Walsh was not on the trading block.

"We have no intentions of trading Steve," Johnson said. "He'll be splitting equal time with Troy. Both of them will be getting plenty of work. We think both of them will become better players because of the competition."

The owner, Jerry Jones, said if the Cowboys ever traded Walsh "we could get half a football team for him. He's that outstanding."

Walsh will be competing for playing time with Aikman, Babe Laufenberg and Scott Secules.

"I'll push myself hard to catch up," Walsh said.

Yugoslav Star, an NBA Hopeful, Sues Spanish Team for His Release

Compiled by Our Staff From Dispatches
PORTLAND, Oregon — Drazen Petrovic, a Yugoslav basketball star sought by the Portland Trail Blazers, is suing for his release and \$10 million in damages from a Spanish professional team.

The suit, filed Friday in Multnomah County Circuit Court here, seeks an injunction ordering Club Real Madrid and the league to which it belongs, Association de Clubs de Baloncesto, to "cease their interference with plaintiff's prospective negotiations with the Trail Blazers."

Petrovic, 25, was selected by the Trail Blazers in the June 1986 National Basketball Association draft. He played for the Yugoslav national team for several years and last season played in the Spanish league, where he signed a four-year contract. After one season, however, Petrovic wanted to play in the NBA.

He said he believed he had a buyout clause in his contract, but the suit said Real Madrid, in correspondence with the NBA in June, had denied the existence of the provision.

The NBA and Spanish league have an agreement to honor each other's contracts.

The Trail Blazers have been threatened with a fine if they negotiate with Petrovic. However, a court verdict in Petrovic's favor would clear the way for the Blazers to step in and sign him.

The Trail Blazers are not being asked for damages but have been made a co-defendant because they have not been able to negotiate with Petrovic.

"Although the Portland Trail Blazers have a significant interest in the outcome of the case, this is primarily between Drazen Petrovic and his current Spanish team," said Kenneth Roberts Jr., general counsel for the Blazers. "We will study the matter and file a response in due course."

Nicholas L. Goyak and Kevin O'Connell, Portland attorneys, filed the suit, which seeks a \$5 million judgment against the Spanish team and \$5 million in punitive damages. (AP, UPI)

San Juan, Puerto Rico — Javier Sotomayor of Cuba has become the first person to high jump 8 feet (2.44 meters), breaking his own world record at the Caribbean Championships.

"It is a fantastic feat because I am the first man in jumping eight feet," said Sotomayor, 21. "And that is fabulous."

Sotomayor set the previous record of 7 feet, 11 1/2 inches in 1988 in Salamanca, Spain. The previous outdoor world record of 7 feet, 11 inches was set by Patrick Sjöberg of Sweden in Stockholm on June 6, 1987.

Sotomayor also holds the indoor mark, at 7 feet, 11 1/2 inches.

He made the historic jump Saturday in his second attempt. In his first attempt, Sotomayor tried at 8 feet but he touched the beam with his left leg.

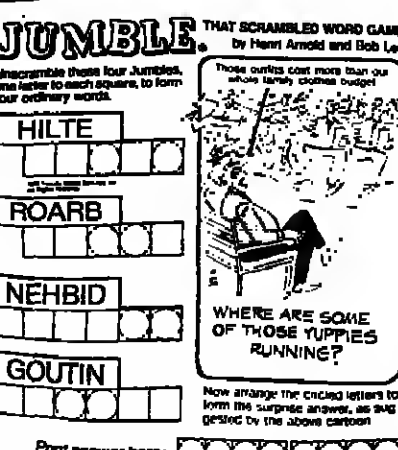
Sotomayor did not have a shot at a gold medal at the 1988 Summer Olympics in Seoul because Cuba boycotted the Games. The 6-foot-4 (1.93-meter) Cuban said he was not disappointed about not being able to compete in the Seoul Olympics and added that he was looking forward to 1992 Games in Barcelona.

Reaching the 8-foot barrier is a significant mark in track and field.

In the men's high jump, the record metrically is now 2.44, exactly 8 feet, but for Europeans, a more significant height would be 2.45, since Europeans recognize increases of five centimeters.

"Every time you go up five centimeters, it's important," said Jimmy Howard, the former American record holder. "When someone clears 2.50, it will be phenomenal."

DENNIS THE MENACE



JUMBLE
THAT SCRAMBLED WORD GAME
Unscramble these four-letter words from one letter (shown) to form four ordinary words.
HILTE
ROARS
NEHBID
GOUTIN
Now arrange the crossed letters so they serve to the above clues.
First answer here:
Saturday:
Answer:
He was always "bawling" and found the right key.

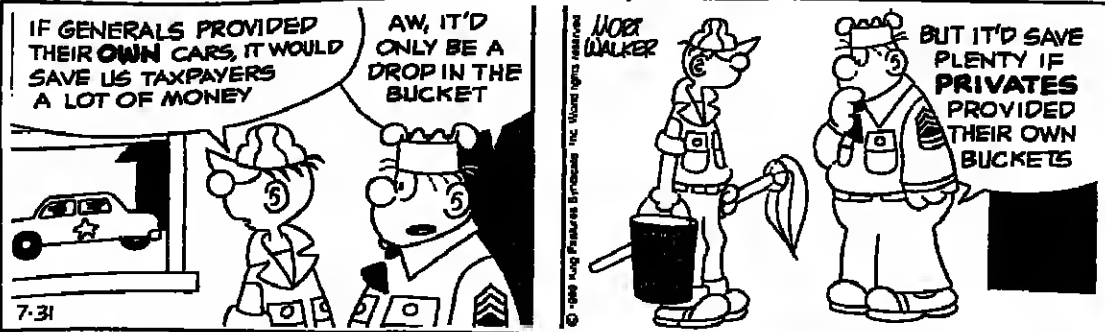
PEANUTS



BLONDIE



BEETLE BAILEY



DOONESBURY



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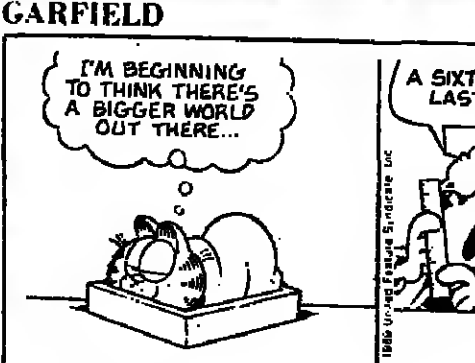
WIZARD OF ID



REX MORGAN



GARFIELD



SCOREBOARD

Major League	W	L	Win %
AL East	44	36	.556
AL Central	42	38	.526
AL West	40	40	.500
NL East	41	39	.513
NL Central	39	41	.488
NL West	37	43	.463

